

# **SNTGN TRANSGAZ SA MEDIAŞ**

## **ANNEXES TO THE REPORT OF THE ADMINISTRATORS FOR 2015**

**ANNEX 1 – CORPORATE GOVERNANCE  
ANNEX 2 - HSSEQ**

**LEGAL DOCUMENTS CONCLUDED UNDER THE CONDITIONS OF ARTICLE 52 PARAGRAPH (1) AND PARAGRAPH (2) OF THE GEO no. 109/30.11.2011**

In 2015, the company concluded the following legal documents with the companies directly or indirectly controlled by the Romanian state and whose cumulated value represents at least the lei equivalent of 50.000 de euro:

<b>Contracting parties</b>	Concluded between <b>SNTGN Transgaz SA and SNGN Romgaz SA – the Underground Gas Storage Subsidiary Ploiești</b>
Contract conclusion date and nature	Contract no. 8284/2015
Contract scope	Gas underground storage services supply
Contract value	Lei <b>2.900.160,00</b> TVA excluded (estimated)
Mutual debts	-
Stipulated penalties and guarantees provided	<p><b>Penalități:</b></p> <p>(1) If the provider does not fulfill its obligations to supply gas underground storage services according to the schedule agreed by this contract, and any other obligations under this contract, the beneficiary is entitled to request and receive damages interest, according to the damages caused</p> <p>2) The non-fulfilment of the invoice payment obligation as stipulated under par. (5) of Art. 5 / Art.51, par. (5), letter b) shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 31 calendar days since the invoice issue date;</p> <p>c) the enforcement of the guarantee constituted according to art 15;</p> <p>d) lien right over the gas quantity stored.</p> <p>(3) Exercising the right of enforcement of the guarantee and retention can be achieved in case of default of the contractual obligations by the beneficiary, other than the one referred to in para. (2).</p> <p>(4) If the employment of the measures under par. (2) and (3) does not ensure full coverage of the damage made by the provider, the beneficiary will pay him damages interests in accordance with the legal provisions in force.</p>

	<p><b>Guarantees:</b> The parties mutually guarantee their compliance with the contractual obligations under this contract. If the parties constitute collaterals, the collaterals will be executed upon the contract signing.</p>
Payment deadlines and methods	15 calendar days since the invoice issue date
Contract duration	16.04.2015–15.04.2016

<b>Contracting Parties</b>	concluded between <b>SNTGN Transgaz SA and SC TERMO CALOR CONFORT SA</b>
Contract conclusion date and nature	Contract no. <b>38/24.09.2015</b>
Contract scope	Transmission Services Supply Contract
Mutual debts	-
Contract value	RON <b>3,629,794.32</b> VAT excluded (estimated)
Stipulated penalties and guarantees provided	<p><b>Penalties:</b> Art. 13. (1) The non-fulfilment of the invoice payment obligation as stipulated under par. (5) of Art. 5 / Art.5<sup>1</sup>, par. (5), letter b) shall incur: a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date; b) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a). (2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.</p> <p>Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period. (2) If the amount specified by paragraph (1) does not cover the whole</p>

prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.

Art. 15 – If, upon TSO request, NU does not voluntarily return/does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.

Art. 16 - (1) NU shall be entitled to request and receive:

a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.

b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.

c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

**Guarantees:**

Art. 10. (1) For the purpose of fulfilling their obligations under the contract, either party shall establish a guarantee for the other party in accordance with the Network Code.

(2) For fulfilling the obligation under paragraph (1) of this Article, the TSO shall provide the credit rating.

The NU is exempted from the obligation to provide the payment guarantee to the TSO conditional on the submission of a credit rating issued by a rating agency agreed by both parties, equivalent with that of Transgaz SA.

(3) The payment guarantee in amount of 25% of the countervalue of the firm and uninterruptible transmission capacity booked over the entire contract duration, calculated based on the regulated tariffs, shall be a letter of bank guarantee or shall be established in cash as a guaranteed account (collateral deposit) and shall be valid 60 calendar days from contract expiration.

(4) The financial guarantee shall be activated by the parties within 48 hours from the agreement and signature of the transmission contract.

(5) The TSO shall be entitled to make claims against the guarantee under this Article within the limits of the damage incurred, unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling

	<p>such obligations.</p> <p>(6) Prior to making any claim against such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.</p> <p>(7) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the period set at Art.13, paragraph (1), letter a).</p> <p>(8) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee according to paragraph (3) of this Article, within 5 days from execution.</p> <p>(9) The Network User shall not provide the guarantee instrument also if it pays in advance the monthly countervalue of the capacity booked.</p>
<p>Payment terms and methods</p>	<p>(*)Art.5<sup>1</sup> (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will submit two or three separate bills (hereinafter 'monthly bills ') for each month as follows:</p> <p>a) first invoice issued for the equivalent capacity booked until the 25th of the month preceding the month of delivery;</p> <p>b) the second invoice for the amount of natural gas transmitted, on the basis of the final allocations for the previous month and the third invoice imbalances calculated for the preceding month, within 10 days of the end of delivery month.</p> <p>(5) The payment of the invoices issued under par. (4) is as follows:</p> <p>a) the invoice issued under par. (4), a) until the last day of the month preceding the month of delivery;</p> <p>b) invoices issued under par. (4) b) within 15 calendar days from the date the invoices are issued.</p> <p>If the due date is not a business day, the deadline is set on the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p> <p>.....</p> <p>(*) To be applied if the option of advance payment is chosen.</p>

<p><b>Contracting Parties</b></p>	<p>concluded between <b>SNTGN Transgaz SA</b> and <b>SNGN ROMGAZ SA</b></p>
<p>Contract conclusion date and nature</p>	<p><b>Contract no. 37/24.09.2015</b></p>
<p>Contract scope</p>	<p>Transmission services supply</p>
<p>Contract value</p>	<p>RON <b>94,115,112.32</b> VAT excluded (estimated)</p>

Mutual debts	-
Stipulated penalties and guarantees provided	<p><b>Penalties:</b></p> <p>Art. 13. (1) The non-fulfilment of the invoice payment obligation as stipulated under par. (5) of Art. 5 / Art.5<sup>1</sup>, par. (5), letter b) shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a).</p> <p>(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.</p> <p>Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period.</p> <p>(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.</p> <p>Art. 15 – If, upon TSO request, the NU does not voluntarily return does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.</p> <p>Art. 16 - (1) NU shall be entitled to request and receive:</p> <p>a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.</p> <p>b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.</p> <p>c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the</p>

applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

#### **Guarantees:**

Art. 10. (1) For the purpose of fulfilling their obligations under the contract, either party shall establish a guarantee for the other party in accordance with the Network Code.

(2) For fulfilling the obligation under paragraph (1) of this Article, the TSO shall provide the credit rating.

The NU is exempted from the obligation to provide the payment guarantee to the TSO conditional on the submission of a credit rating issued by a rating agency agreed by both parties, equivalent with that of Transgaz SA.

(3) The payment guarantee in amount of 25% of the countervalue of the firm and uninterruptible transmission capacity booked over the entire contract duration, calculated based on the regulated tariffs, shall be a letter of bank guarantee or shall be established in cash as a guaranteed account (collateral deposit) and shall be valid 60 calendar days from contract expiration.

(4) The financial guarantee shall be activated by the parties within 48 hours from the agreement and signature of the transmission contract.

(5) The TSO shall be entitled to make claims against the guarantee under this Article within the limits of the damage incurred, unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.

(6) Prior to making any claim against such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.

(7) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the period set at Art.13, paragraph (1), letter a).

(8) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee according to paragraph (3) of this Article, within

	<p>5 days from execution.</p> <p>(9) The Network User shall not provide the guarantee instrument also if it pays in advance the monthly countervalue of the capacity booked.</p>
Payment terms and methods	<p>(*)Art.5<sup>1</sup> (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will send the NU within 10 working days of the delivery month two separate bills (hereinafter 'monthly bills ") prepared based on final allocations for the preceding month, namely:</p> <p>a) an invoice for the transmission services for the previous month, established under the final allocations;</p> <p>b) a second invoice for the previous month imbalances, established under the final allocations by applying FTG.</p> <p>(5) The payment of invoices issued according to the network code is made within 15 calendar days from the invoices issue date. If the due date is not a business day, the deadline is set for the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p>

<b>Contracting Parties</b>	concluded between <b>SNTGN Transgaz SA</b> and the company <b>COMPLEXUL ENERGETIC HUNEDOARA SA</b>
Contract conclusion date and nature	<b>Contract no. 9 / 24.09.2015</b>
Contract scope	Transmission services supply
Contract value	RON <b>1,163,213.95</b> VAT excluded (estimated)
Mutual debts	-



<p>Stipulated penalties and guarantees provided</p>	<p><b>Penalties:</b></p> <p>Art.13. (1) The non-fulfilment of the invoice payment obligation as stipulated under in par. (5) of Art. 5 / Art.5<sup>1</sup>, par. (5), letter b) shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a).</p> <p>(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.</p> <p>Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period.</p> <p>(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.</p> <p>Art. 15 – If, upon TSO request, the NU does not voluntarily return / does not use the facility of booked and not used capacity transfer thus the mandatory capacity transfer being applied, the NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.</p> <p>Art. 16 - (1) NU shall be entitled to request and receive:</p> <p>a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.</p> <p>b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.</p> <p>c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and</p>
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corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

**Guarantees:**

Art. 10. (1) For the purpose of fulfilling their obligations under the contract, either party shall establish a guarantee for the other party in accordance with the Network Code.

(2) For fulfilling the obligation under paragraph (1) of this Article, the TSO shall provide the credit rating.

The NU is exempted from the obligation to provide the payment guarantee to the TSO conditional on the submission of a credit rating issued by a rating agency agreed by both parties, equivalent with that of Transgaz SA.

(3) The payment guarantee in amount of 10% of the countervalue of the firm and uninterruptible transmission capacity booked over the entire contract duration, calculated based on the regulated tariffs, shall be a letter of bank guarantee or shall be established in cash as a guaranteed account (collateral deposit) and shall be valid 60 calendar days from contract expiration.

(4) The financial guarantee shall be activated by the parties within 48 hours from the agreement and signature of the transmission contract.

(5) The TSO shall be entitled to make claims against the guarantee under this Article within the limits of the damage incurred, unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.

(6) Prior to making any claim against such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.

(7) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the period set at Art.13, paragraph (1), letter a).

(8) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee according to paragraph (3) of this Article, within 5 days from execution.

	(9) The Network User shall not provide the guarantee instrument also if it pays in advance the monthly countervalue of the capacity booked.
Payment terms and methods	<p>Art.5 (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will submit two or three separate bills (hereinafter 'monthly bills ') for each month as follows:</p> <p>a) first invoice issued for the equivalent capacity booked until the 25th of the month preceding the month of delivery;</p> <p>b) the second invoice for the amount of natural gas transmitted, on the basis of the final allocations for the previous established under the final allocations by applying FTG.</p> <p>(5) The payment of invoices issued according to the network code is made within 15 calendar days from the invoices issue date. If the due date is not a business day, the deadline is set for the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p>

<b>Contracting Parties</b>	concluded between <b>SNTGN Transgaz SA and SC ELECTROCENTRALE CONSTANTA SA</b>
Contract conclusion date and nature	<b>Contract no. 15/24.09.2015</b>
Contract scope	Transmission services supply
Contract value	RON <b>8,572,343.64</b> , VAT excluded (estimated)
Mutual debts	-
	<p><b>Penalties:</b></p> <p>Art.13. (1) The non-fulfilment of the invoice payment obligation as stipulated under in par. (5) of Art. 5 / Art.5<sup>1</sup>, par. (5), letter b) shall incur:</p>

Stipulated penalties and guarantees provided

a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;

b) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a).

(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.

Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period.

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.

Art. 15 – If, upon TSO request, the NU does not voluntarily return / does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.

Art. 16 - (1) NU shall be entitled to request and receive:

a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.

b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.

c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary

fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

**Guarantees:**

Art. 10. (1) For the purpose of fulfilling their obligations under the contract, either party shall establish a guarantee for the other party in accordance with the Network Code.

(2) For fulfilling the obligation under paragraph (1) of this Article, the TSO shall provide the credit rating.

The NU is exempted from the obligation to provide the payment guarantee to the TSO conditional on the submission of a credit rating issued by a rating agency agreed by both parties, equivalent with that of Transgaz SA.

(3) The payment guarantee in amount of 10% of the countervalue of the firm and uninterruptible transmission capacity booked over the entire contract duration, calculated based on the regulated tariffs, shall be a letter of bank guarantee or shall be established in cash as a guaranteed account (collateral deposit) and shall be valid 60 calendar days from contract expiration.

(4) The financial guarantee shall be activated by the parties within 48 hours from the agreement and signature of the transmission contract.

(5) The TSO shall be entitled to make claims against the guarantee under this Article within the limits of the damage incurred, unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.

(6) Prior to making any claim against such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.

(7) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the period set at Art.13, paragraph (1), letter a).

(8) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee according to paragraph (3) of this Article, within 5 days from execution.

(9) The Network User shall not provide the guarantee instrument also if it

	pays in advance the monthly countervalue of the capacity booked.
Payment terms and methods	<p>Art.5 (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will submit two or three separate bills (hereinafter 'monthly bills ") for each month as follows:</p> <p>a) first invoice issued for the equivalent capacity booked until the 25th of the month preceding the month of delivery;</p> <p>b) the second invoice for the amount of natural gas transmitted, on the basis of the final allocations for the previous established under the final allocations by applying FTG.</p> <p>(5) The payment of invoices issued according to the network code is made within 15 calendar days from the invoices issue date. If the due date is not a business day, the deadline is set for the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p>

<b>Contracting Parties</b>	concluded between <b>SNTGN Transgaz SA</b> and <b>SC ELECTROCENTRALE GALAȚI SA – in insolvency</b>
Contract conclusion date and nature	Contract no. <b>16/24.09.2015</b>
Contract scope	Gas Transmission Services Supply Contract
Contract value	RON <b>12.000.734,92</b> VAT excluded (estimated)
Mutual debts	-
	<p><b>Penalties:</b></p> <p>Art.13. (1) The non-fulfilment of the invoice payment obligation as stipulated under in par. (5) of Art. 5 / Art.5<sup>1</sup>, par. (5), letter b) shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay</p>

<p>Stipulated penalties and guarantees provided</p>	<p>interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, or until the execution of the guarantee stipulated by the contract, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) the limitation / interruption of the gas transmission service, starting with the day following the period of 26 calendar days since the invoice issue date with a 5 calendar days notice, in case of non-fulfilling of the payment obligation.</p> <p>c) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a).</p> <p>(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.</p> <p>Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period.</p> <p>(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.</p> <p>Art. 15 – If, upon TSO request, the NU does not voluntarily return / does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.</p> <p>Art. 16 - (1) NU shall be entitled to request and receive:</p> <p>a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.</p> <p>b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.</p> <p>c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the</p>
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applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;

(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.

#### **Guarantees:**

Art. 10. (1) For the purpose of fulfilling their obligations under the contract, either party shall establish a guarantee for the other party in accordance with the Network Code.

(2) For fulfilling the obligation under paragraph (1) of this Article, the TSO shall provide the credit rating.

The NU is exempted from the obligation to provide the payment guarantee to the TSO conditional on the submission of a credit rating issued by a rating agency agreed by both parties, equivalent with that of Transgaz SA.

(3) The payment guarantee in amount of 10% of the countervalue of the firm and uninterruptible transmission capacity booked over the entire contract duration, calculated based on the regulated tariffs, shall be a letter of bank guarantee or shall be established in cash as a guaranteed account (collateral deposit) and shall be valid 60 calendar days from contract expiration.

(4) The financial guarantee shall be activated by the parties within 48 hours from the agreement and signature of the transmission contract.

(5) The TSO shall be entitled to make claims against the guarantee under this Article within the limits of the damage incurred, unless the NU fulfills its contract obligations completely or partly or if it delays fulfilling such obligations.

(6) Prior to making any claim against such guarantee, the TSO shall notify the NU on the non-fulfilled obligations.

(7) The TSO shall send the guarantee execution notification by fax within 24 hours from the expiration of the period set at Art.13, paragraph (1), letter a).

(8) If the guarantee is executed partly or completely, the NU shall re-establish the guarantee according to paragraph (3) of this Article, within



	<p>5 days from execution.</p> <p>(9) The Network User shall not provide the guarantee instrument also if it pays in advance the monthly countervalue of the capacity booked.</p>
<p>Payment terms and methods</p>	<p>(*)Art.5 (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will submit two or three separate bills (hereinafter 'monthly bills ") for each month as follows:</p> <p>a) first invoice issued for the equivalent capacity booked until the 25th of the month preceding the month of delivery;</p> <p>b) the second invoice for the amount of natural gas transmitted, on the basis of the final allocations for the previous month and the third invoice issued for the imbalances calculated for the previous month, within 10 business days since the end of the month of delivery.</p> <p>(5) The payment of invoices issued according to the provisions of article (4) is made as follows:</p> <p>a) the invoice issued under par. (4) let. a) until the last day of the month preceding the month of delivery;</p> <p>b) the invoices issued under par. (4) let. b) within 15 calendar days from the invoices issue date.</p> <p>If the due date is during the weekend, the deadline is deemed to end on the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p> <p>.....</p> <p>(*) to be applied in case of chossing the option of advance payment.</p>
	<p><b>Explanation:</b> ELCEN Galati signed the natural gas transmission contract with an objection on the commencement date of the contract. According to ELCEN Galati the contract would be terminated starting from 1 November 2015. The misunderstanding was referred to mediation to ANRE. On 14.01.2016 hearings</p>

	<p>organized by ANRE were held, regarding the misunderstanding occurred between Transgaz and ELCEN Galati in connection with the commencement date of the natural gas transmission contract. The parties have maintained the view expressed in previous correspondence. ANRE Commission will issue a recommendation in this respect.</p>
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<b>Contracting Parties</b>	Concluded between <b>SNTGN Transgaz SA</b> and <b>S.C. ELECTROCENTRALE BUCUREȘTI S.A.</b>
Contract conclusion date and nature	<b>Contract no. 14/24.09.2015</b>
Contract scope	Gas transmission services supply
Contract value	RON <b>107.609.290,62</b> VAT excluded (estimated)
Mutual debts	-
	<p><b>Penalties:</b></p> <p>Art. 13. (1) The non-fulfilment of the invoice payment obligation as stipulated under par. (5) of Art. 5 shall incur:</p> <p>a) delay penalties related to the unpaid amount, equal to the delay interest due for the non-payment in due time of the budgetary obligations, for each day of delay, starting with the 16th calendar day from the invoice issuing date until its full payment, the payment date included, in the case of the non-fulfilment of the payment obligation within 15 calendar days from the maturity date;</p> <p>b) the limitation/ supply of the gas transmission service starting with the 26-th day from the invoice issue date, with a 5 calendar days' notice, if the payment obligation is not fulfilled.</p> <p>c) in case of failure to meet the payment obligation, the limitation / interruption of the gas transmission service, with a prior notice of 3 calendar days, starting with the day following the period of 15 calendar days foreseen at letter a), in case of non-fulfilment of the payment obligation.</p> <p>(2) If the due date or the day following the grace period is a bank holiday, the terms foreseen at paragraph (1) shall be shifted accordingly.</p> <p>Art. 14 – (1) If, during the delivery month, NU does not ensure at NTS entry points the gas quality specifications at least at the level established by the applicable laws, TSO shall be entitled to request and receive an amount equal to 0,5% of the value of gas, expressed as energy units, delivered at NTS entry and of a quality non-compliant with the applicable laws; the gas value, expressed in energy units, shall be calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA</p>

<p>Stipulated penalties and guarantees provided</p>	<p>for the relevant period.</p> <p>(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, TSO shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when NU, due to its own fault, does not fulfil the relevant obligations as well as any other obligations established by this Contract.</p> <p>Art. 15 – If, upon TSO request, the NU does not voluntarily return does not use the facility of booked and not used capacity transfer, thus the mandatory capacity transfer being applied, NU shall pay 5% of the transferred capacity for the period between the date of mandatory capacity transfer and the date of Contract Term expiry.</p> <p>Art. 16 - (1) NU shall be entitled to request and receive:</p> <p>a) an amount established based on the under-nomination delivery tariff, according to the Network Code provisions, in case of delivery at NTS exit points under the approved nomination/re-nomination.</p> <p>b) an amount established based on the tariff for not ensuring the booked capacity, according to the Network Code provisions, in case TSO does not keep at NU's disposal the entire transmission capacity booked by the latter.</p> <p>c) an amount equal to 0,5% of the value of gas, expressed in energy units, delivered at NTS exit and of a quality non-compliant with the applicable laws, calculated by multiplying the gas quantity, expressed in energy units, registered in the Minutes signed at NTS entry and corresponding to the quality non-compliance period, with the unitary fixed amount used to cover the gas purchase costs, expressed in RON/energy units and estimated by CA for the relevant period;</p> <p>(2) If the amount specified by paragraph (1) does not cover the whole prejudice suffered, NU shall be entitled to request and receive damages, additionally, up to full coverage of the prejudice suffered when TSO, due to its own fault, does not fulfil the obligation of transmission services provision as well as any other obligations established by this Contract.</p> <p><b>Guarantees:</b></p> <p>Art. 10. The guarantees constituted for the fulfillment of the contractual obligations are set out in the Network Code.</p> <p>(2) In addition to the provisions of par. (1), the parties may each submit one or more instruments to guarantee the obligations under the contract.</p> <p>(3) The guarantee instruments in para. 2 are constituted in equivalent conditions.</p> <p>(4) To guarantee the payment of the balancing value, the NU is bound to constitute in favor of the TSO a financial guarantee in the form of a letter of guarantee issued by a bank approved by the Parties in the amount of 5% of the historical average of the volume of natural gas transported monthly according to the contractual relations with NU. The validity of the guarantee for balancing shall cover the transport contract duration</p>
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	<p>plus 30 calendar days. Failure to present the financial securities in time entitles the TSO not to achieve balancing.</p>
<p>Payment terms and methods</p>	<p>Art.5 (1) The network user will pay to the transmission system operator the amounts related to the rendered firm and interruptible transmission services, calculated based on the regulated transmission tariffs.</p> <p>(2) The network users will pay the transmission system operator, as appropriate, the extra amounts provided in the network code.</p> <p>(3) The tariffs referred to in para. (1) and (2) are set out in Annex. 1 to the contract.</p> <p>(4) The TSO will send the NU within 10 working days of the delivery month two separate bills (hereinafter 'monthly bills ") prepared based on final allocations for the preceding month, namely:</p> <p>a) an invoice for the transmission services for the previous month, established under the final allocations;</p> <p>b) a second invoice for the previous month imbalances, established under the final allocations by applying FTG.</p> <p>(5) The payment of invoices issued according to the network code is made within 15 calendar days from the invoices issue date. If the due date is not a business day, the deadline is set for the next business day.</p> <p>(6) The payment obligation is considered to be fulfilled on the date the total respective amounts enter the account of the transmission system operator.</p> <p>(7) Monthly invoicing for the interruptible natural gas transmission services provided is performed based on the capacity booked in the NTS, the number of hours each month in which transmission services were not limited/ interrupted and quantities of natural gas delivered/taken over by the TSO and, where appropriate, other liabilities arising from the execution of this Contract.</p>

<p><b>Contracting parties</b></p>	<p>Concluded between <b>SNTGN Transgaz SA</b> and <b>EXIMBANK București</b></p>
<p>Contract conclusion date and nature</p>	<p>Contract no. 292/25.05.2015, term deposit</p>

Contract scope	Term deposit for a month, without extension
Contract value	Bank deposit of 40.000.000 lei, interest percentage rate applied to the deposit is of 1,05% per year
Payment deadline and methods	The maturity of the deposit will be 26.06.2015.

<b>Contracting parties</b>	Concluded between <b>SNTGN Transgaz SA</b> and <b>EXIMBANK București</b>
Contract conclusion date and nature	Contract no. 292/25.05.2015, term deposit
Contract scope	Term deposit for a month, without extension
Contract value	Bank deposit of 40.000.000 lei, interest percentage rate applied to the deposit is of 0,95% per year
Payment deadline and methods	The maturity of the deposit will be 27.07.2015

<b>Contracting parties</b>	Concluded between <b>SNTGN Transgaz SA</b> and <b>EXIMBANK București</b>
Contract conclusion date and nature	Contract no. 292/25.05.2015, term deposit
Contract scope	Term deposit for a month, without extension
Contract value	Bank deposit of 40.000.000 lei, interest percentage rate applied to the deposit is of 0,90% per year
Payment deadline and methods	The maturity of the deposit will be 27.08.2015.

## ANNEX 2 HSSEQ ACTIVITY

### Activity developed in the field of Surveillance , Environmental Quality Protection and Security

Includes aspects on:

- Activities developed in the field of Occupational Health and Security ;
- Activities developed in the field of environmental protection;
- Activities developed by the Laboratory for Monitoring the Environmental Factors ;
- Activities developed in the field of Environmental Quality Management System;
- Activities developed the field of Protection, Surveillance and Security;
- Activities developed in the field of Documents Management;
- Activities developed in the field of Surveillance

### Activities developed in the field of Occupational Health and Security

Between 01.01. - 31.12.2015 the health and occupational security activity was mainly focused on the compliance with the legal provisions, taking all measures to ensure the safety and health of workers, particularly through the performance of the "Plan for Prevention and Protection for 2015".

In order to reduce and / or eliminate the risk of occupational accidents and professional diseases at the workplaces within the company, specific actions were conducted that contributed to the enforcement of the planned measures, a priority being the technical, organizational and health – medical activities.

Analyzing the implementation of the measures of prevention and protection within the company, we present the following:

A. The organizational measures were carried out as planned, as follows:

1. Surveillance of workers' health was provided under existing laws, ongoing preventive health services agreements, for occupational medicine, due on 06/08/2015, have been extended by addenda until 15.09.2015 for the completion of the tender procedure for purchasing preventive medical services for occupational medicine by concluding a framework agreement for 4 years. Considering that only unacceptable and / or non-compliant tenders have been submitted, the evaluation committee has decided to cancel the tender procedure under the provisions of art. 209 paragraph 1, letter a) of GEO. 34/2006, the procedure will be repeated.

After cancellation of the tender a negotiated procedure was started for concluding medical services agreements for a period of 6 months following that, during this period, some of the maturities of the medical examinations (drivers) to be provided urgently, based on order.

2. The endorsement by the Technical Economic Committee of Transgaz of the study on "Determination of professional effort, assessment of work capacity assessment and professional fatigue, on physical, neuropsychiatric and sensory stress. Expertise of jobs and people falling under heavy, dangerous, hazardous or harmful conditions", conducted by INCDPM, Alexandru Darabont Bucharest. During the final stage of this study the classification of staff categories from SNTGN TRANSGAZ SA Mediaş within hard, hazardous and harmful conditions was established.

3. In January, the agreement with the Association SC Service Implementare Producție SA Petrila (association leader) and SC ROMCONSULT LTD SRL Mediaş (associate) for the

preparation of technical documentations for a number of 200 working points (regulating and metering stations, valve control stations, technological nodes) for their submission to INSEMEX Petroșani for achieving Ex certificates was terminated, under good conditions.

Thus, the legal requirements arising from the Law nr.319 / 2006 on occupational safety and health and GR. no. 1058/2006 on the minimum requirements for improving the safety and health protection of workers who may be exposed to a potential risk due to explosive atmospheres were complied with.

4. During 2015 proper execution of the services agreement with INCD - INSEMEX Petroșani was inspected, in order to examine in situ the installations where potentially explosive atmospheres can occur and the issuance of certificates of conformity for a total of 255 sites for which there were prepared the necessary technical documentations.

In October 2015 the procedures for concluding a new agreement with INCD - INSEMEX Petroșani has started, for re-authorization of a number of 88 sites, procedure completed by the end of 2015.

5. According to the law, the types of personal protective equipment, selected and approved for purchase during the meetings of the occupational health and safety committee, for the proper equipping of the workers were purchased and put into operation. In this respect, during the second semester of 2015 the protective gloves, protective helmets, protective helmets with ear protection, safety jackets, safety glasses and masks for welding, etc. were purchased at centralized level.

6. In July the services of rental and maintenance of mobile toilets were purchased, the Services Framework Agreement no. 326 / 29.06.2015 was concluded for 4 years. The subsequent services agreement no. 385 / 22.07.2015 was concluded, by which 53 ecological toilets were distributed to the working points which do not have sewerage and water supply and to the temporary sites of the company, thus ensuring optimum hygiene conditions and the workers' health.

7. The coordination in terms of occupational safety and health of the sites employed by SNTGN TRANSGAZ SA Mediaș was ensured in accordance with GR no. 300/2006 on the minimum occupational safety and health requirements for temporary or mobile sites. Also conventions on occupational safety and health – emergency situations and Environmental Protection have been concluded with service and works providers engaged by the company. One has mainly acted for the compliance with the regulations in terms of occupational safety and health on pipeline rehabilitation sites, stations of gas metering adjustment, rehabilitation STC Șinca, modernization headquarters Transgaz Mediaș str. Carpați, modernization office Transgaz Constanța (MECA) etc.

8. Training, guidance and thematic control measures by OHS inspectors within the Department for Occupational Safety and Health were taken, according to the programs prepared by the Directorate of Protection and Security, and approved by the manager of the Surveillance Department, Quality – Environment, Protection and Security. Thus, through specific measures the activity of all categories of jobs was surveilled and some non-conformities found were remedied accordingly.

9. OHS inspectors participated within audit committees quality- environment-OHS that have audited the process of Operation Department, the process of Exploitation and Maintenance Department, and have conducted crossed audits between Territorial Exploitations.

10. The domestic equipment list was updated for providing personal protective equipment – this being approved within the Occupational Safety and Health Committee of Transgaz on 17/07/2015.

On 26/08/2015 the internal list including the protective individual equipment has been approved within Transgaz Board of Administration. Since that time the list came into force and was distributed for compliance to all Transgaz subunits.

11. The job descriptions of OSH inspectors within the territorial exploitations were updated, these being correlated with the provisions of Transgaz organizational and operational rules.

12. The procedure (PGS 07) on training of employees, collaborators and visitors, in terms of occupational safety and health, was developed in accordance with the Law no.319 / 2006 and of the Methodological Norms for enforcing the law, approved by GR no. 1425/2006, as amended and completed. Also the integrated procedures of the management system quality-environment, occupational health and safety were updated.

13. During the third quarter of 2015 the workers' representatives in OHSC were trained through a course of 40 hours in occupational safety and health.

14. The circular on the documents that must be displayed on the premises and sites of SNTGN TRANSGAZ SA Mediaş was issued.

15. The proposals for the preparation of Supply Programme were drafted and submitted; the Programme of services provided by third parties; Modernization, Development, Investments Programme.

16. During the period 31.08- 10.09.2015 within SNTGN TRANSGAZ SA Mediaş the recertification audit of integrated management system quality- environment-OHS was conducted by SRAC Romania. The audit was conducted in the Territorial Exploitations from Arad, Bucharest, Cluj and at the company's headquarters from Mediaş. Following this audit our company achieved the recertification for a period of 1 year.

## **B. Technical measures**

During 2015, it was aimed the implementation of technical measures provided by the Plan for Prevention and Protection for 2015, taking into account the projects of S.N.T.G.N. Transgaz Mediaş, on the policy of modernization of the National Transport System, of which we remind:

- restoration of electrical and grounding facilities at the workstations, listed in the Prevention and Protection Plan;
- modernization of toilets and the connection of workstations to drinking water, listed in the Plan of Prevention and Protection;
- execution of modernization, sanitation, works at the operator cells, settled in the Plan for Prevention and Protection.

## **C. Hygienic and sanitary measures**

In order to achieve the measures in the sanitary-hygienic field (provision of sanitary-hygienic materials, completion / replacement of components of First Aid kits, disinfection and pest control, food protection) agreements were concluded within the company, pursued by the specialized services ( Supply Service, Administrative service), with companies that provide the necessary materials and develop this type of services.

## **Report on incidents (work events) which occurred within SNTGN TRANSGAZ SA Mediaş**

Related to the events which occurred within SNTGN TRANSGAZ SA Mediaş, during 2015, we mention the following:

- a **deadly work accident** was recorded, which occurred on 02/04/2015 on DN 14, km 85 + 690 m, between the towns Daneş and Sighișoara, Mureș County, the deadly injured person was an employee of Brașov Territorial Exploitation.
- a **work accident** was recorded, which occurred on 21/10/2015, the injured person being an operator of pipeline transmission and gas control within Bacău Territorial Exploitation – Onești sector. He tripped and fell on the stairs of the block where he



lives, his hospitalization being necessary, following this event, his femoral neck being fractured.

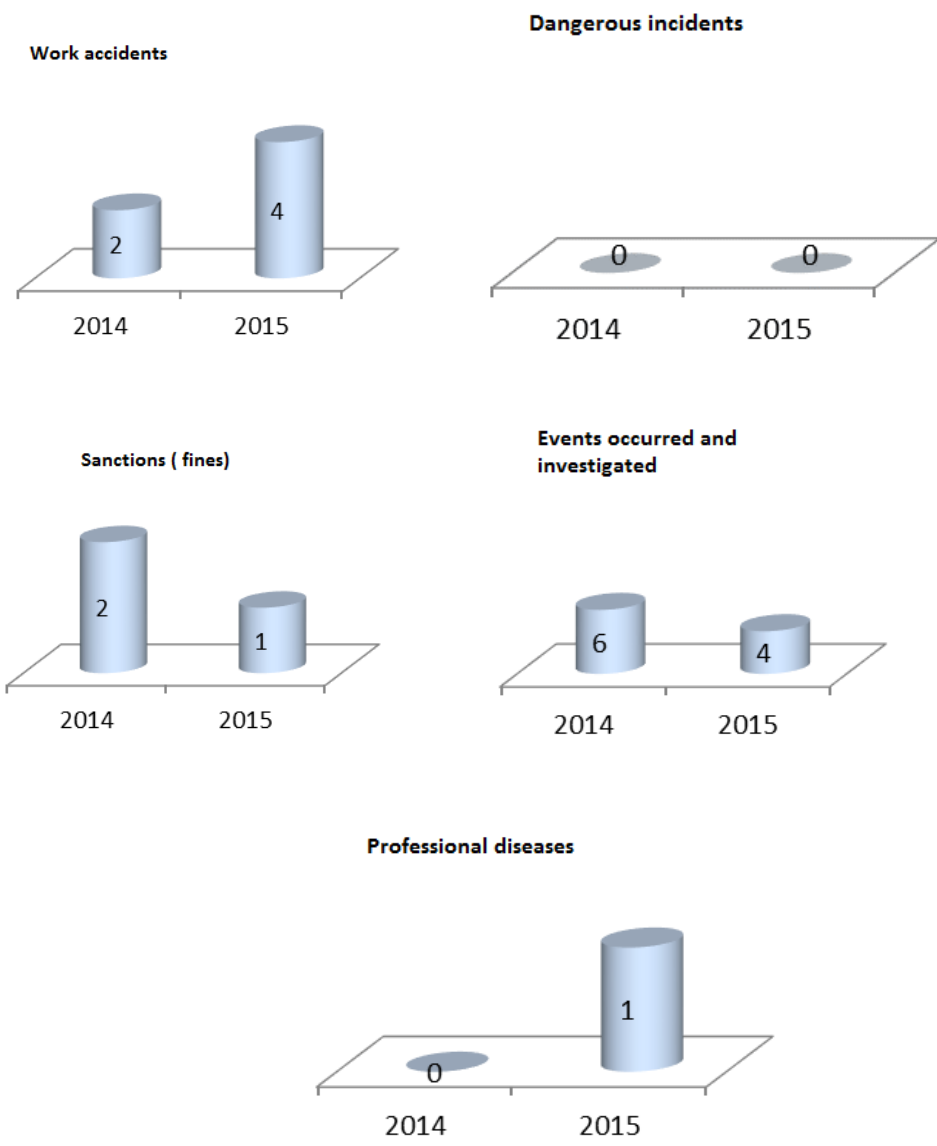
- The investigation of the event which occurred on 10/11/2015 was conducted at Dealul Frumos gas metering station belonging to Mediaş Territorial Exploitation after which a locksmith suffered minor burns on his face and hand. The investigation is unfinished at the date of this report, the event meeting the conditions for its classification as a **work accident**.
- The traffic event which occurred on 18.12.2015 on DN 13 Sighișoara – Brașov in the area of locality Mihai Viteazu, Mures county, in which were involved employees within Transgaz Bucharest Representative was investigated. They were making a business trip on the route Mediaş - Bucharest with their own car. The investigation is unfinished at the date of this report, the event meeting the conditions for its classification as a work accident.
- The investigation of the event which occurred on 17.01.2015 at SRM Șaroș on Târnavă, belonging to Mediaş territorial exploitation was conducted. The investigation was conducted after receiving the technical expertise performed by NRD I INSEMEX Petroșani. The event was classified as slight injury, an operator being injured.
- During the second quarter of 2015 an event was investigated which occurred on 30/04/2015 at the headquarters of SNTGN TRANSGAZ SA Mediaş, Street Unirii, no 6 Mediaş town, county Sibiu, following which an employee on the position of guardian, was urgently hospitalized to Mediaş Municipal Hospital after he had become sick during the working hours. Following the investigation resulted that the event does not qualify as a work accident.
- During the fourth quarter of 2015 the event which occurred on 06/10/2015 at Hilton Hotel str. Pădurea Dumbrava No. 1 county Sibiu was investigated, after this an employee on the position of locksmith from Mediaş Territorial Exploitation, was urgently hospitalized to Sibiu City Hospital with the diagnosis of cardio-respiratory arrest, mechanical asphyxia and hypoxic encephalopathy while he was attending a trade union meeting. The investigation showed that the event does not qualify as a work accident.
- SNTGN TRANSGAZ S.A. Mediaş recorded during Semester I 2015 a case of occupational disease - case investigated and stated by Mureș Directorate of Public Health (route pipeline operator within ET Cluj, TG Mureș sector). Minutes which stated the occupational disease was challenged under the law, through the Legal Committee to the Occupational Medicine Experts Committee, on 12/05/2015. Following the appeal and the analysis of investigation file by the experts committee, it was decided to maintain the conclusion of Mureș Directorate of Public Health (Decision of Experts Committee no. H 957 / 07.07.2015).

Related to offences applied to SNTGN TRANSGAZ S.A. we state that the company was sanctioned for the non-compliance with occupational safety and health provisions in the amount of 2.000 lei, sanction applied to Gorj Labor Territorial Inspectorate by the Finding and Sanctioning Minutes No. 36 655 / 04.03.2015.

Regarding the expenses outlined within the expenditures budget for ensuring the occupational safety and health for 2015, we state that the total amount is of **3,121,004.02** RON, this amount not including the costs incurred on investment funds for the modernization of technological facilities and production and offices spaces.

Within Annex 1 the costs for labor protection on Territorial Exploitations and on codes are structured, as they are outlined within the company accountancy.

**COMPARISON BETWEEN THE ACTIVITY REPORT related to 2014 with the one related to 2015**



SCHEDULE OF INSPECTIONS FOR 2015

Tag No.	Inspections scheduled by OHS service	Crossed inspections scheduled and conducted by OHS inspectors working within Territorial Exploitations
1.	E.T. Arad	E.T. Craiova at E.T. Arad
2.	E.T. Cluj	E.T. Arad at E.T. Cluj
3.	E.T. Mediaş	E.T. Cluj at E.T. Mediaş
4.	E.T. Bacău	E.T. Mediaş at E.T. Bacău
5.	E.T.Brăila	E.T. Bacău at E.T. Brăila
6.	E.T. Constanța	E.T. Brăila at E.T. Constanța
7.	E.T. București	E.T. Constanța at E.T. București
8.	E.T. Brașov	E.T. București at E.T. Brașov
9.	E.T. Craiova	E.T. Brașov at E.T. Craiova

- - Inspections conducted
- - Inspections not conducted

During 2015 within SNTGN TRANSGAZ SA Mediaş OHS inspectors conducted inspections within the county labor territorial inspectorates in order to verify the compliance with the legislative provisions on occupational health and safety, as it follows:

EXTERNAL INSPECTIONS 2015							
Tag No.	Date of inspection	LOCATION(E .T./Dept/ Branch )	Certified Inspection Authority	Description of inspection reason	Measures imposed	Term /form of enforcement	
1.	29.01.2015	ET ARAD- Sector Deva	Territorial Labor Inspectorate (TLI) Hunedoara	OHS inspection	No measures were ordered	No measures were ordered	
2.	02.03.2015	ET BRAILA – Sector Buzau	TLI Buzău	OHS inspection	1.settlement of training periodicity	19.03.2015	Answer by TLI ITM Buzău
3.	03-04.03.2015	ET CRAIOVA – Sector TG. JIU	TLI Gorj	OHS inspection	1. IPE equipment 2. Removal of electric improvisations from environment Ex	Permanent	Fine 000 lei Achieved Answer to TLI Gorj
4.	05-06.03.2015	ET CRAIOVA- Sector Hurezani	TLI Gorj	OHS inspection	1. Granting rights to OHS employees acc to Law. 2. OHS plan update.	07.04.2015	Achieved Answer to TLI Gorj
5.	21-22.04.2015	ET CLUJ Head office	TLI Cluj	Control SSM	There were not ordered any measures	-	-
6.	20-21.04.2015	ET Bacău- Head office	TLI Bacău	OHS inspection	-plan update prevention and protection	18.05.2015	Achieved on term Answer to TLI Bacău.

**EXTERNAL INSPECTIONS  
2015**

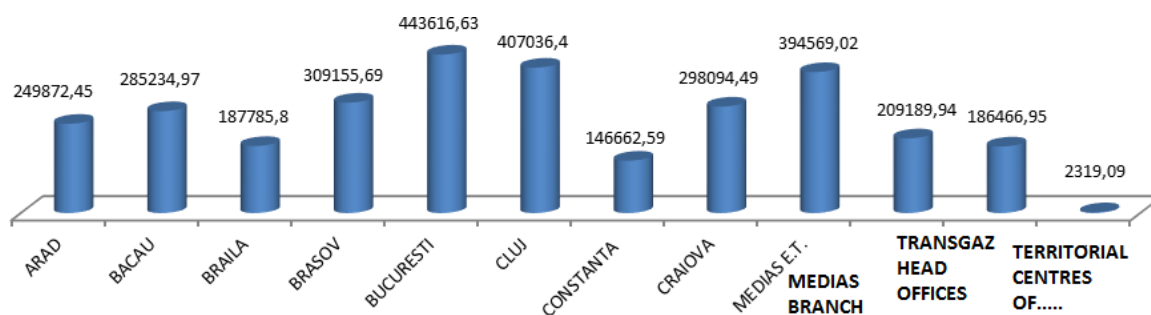
Tag No.	Date of inspection	LOCATION(E .T./Dept/ Branch )	Certified Inspection Authority	Description of inspection reason	Measures imposed	Term /form of enforcement	
					-remaking of training sheets.	Immediately	Achieved on term Answer to TLI Bacău.
					Training of employees representatives in OHSC in matter of OHS	18.05.2015	Achieved on term Answer to TLI Bacău
7.	22-24.04.2015	ET Bacău – Sector Fălticeni	TLI Suceava	OHS inspection	-Marking the metrological testing of the measuring devices	24.04.2015	Achieved on term Answer to TLI Suceava
					-Completion with warning signaling indicators	24.04.2015	Achieved on term Answer to TLI Suceava
					Supplementation of lighting devices at RMS Fălticeni.	24.04.2015	Achieved on term Answer to TLI Suceava
8.	22.05.2015	ET -Brăila – Sector Brăila	TLI Brăila	OHS inspection	- replacement of evaporation odor plant at RMS Brăila	22.06.2015	achieved
					- repair of lightning and earthing pillar at RMS CET Chișcani.	22.06.2015	achieved
					- Restoration of grounding on lightning, lighting fixtures and inst. technology at RMS Tichilești.	22.06.2015	achieved
9.	25.05.2015	ET – Bacău- Sector Comănești	TLI Bacău	OHS inspection	- Checking entries from individual training files in OHS field	Imediat	achieved
					- Track of high and specific risk areas	19.06.2015	achieved
10.	28.07.2015	ET -Brăila – Sector Brăila	TLI Brăila	OHS inspection – verification of compliance with measures settled by minutes 10.973/28.05.2015.	-	-	achieved
11.	30.06.2015	ET – Bacău- Sector Comănești	TLI Bacău	OHS inspection- verification of compliance with measures settled by minutes 38.537/25.05.2015.	-	-	achieved

**EXTERNAL INSPECTIONS  
2015**

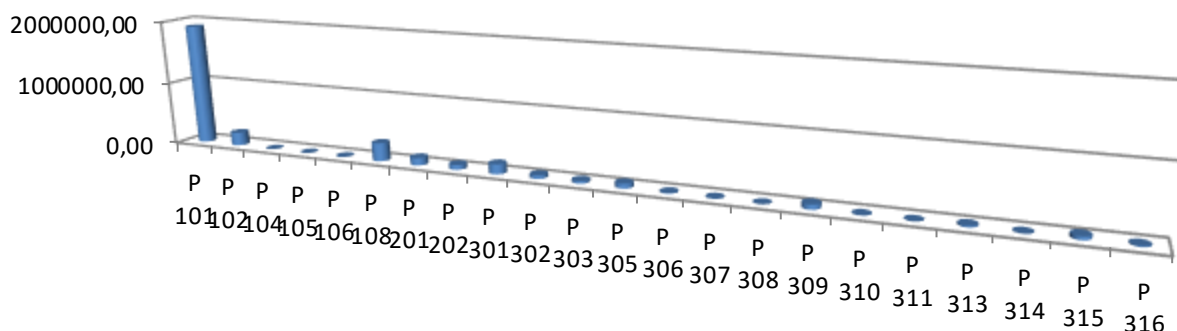
Tag No.	Date of inspection	LOCATION(E .T./Dept/ Branch )	Certified Inspection Authority	Description of inspection reason	Measures imposed	Term /form of enforcement	
12.	13-14.08.2015	ET Braşov – Sector Azuga	TLI PRAHOVA	OHS inspection	Knowledge testing after training at the workplace by the superior chief. Additional Regular training will not be less than 8 hours.	14.08.2015	achieved
					Including in their own instructions, the surveillance form, warning, first aid provided to isolated staff.	07.09.2015	achieved
					Compliance with GEO 99/2000 on measures to be taken during periods of extreme temperatures.	When appropriate	
13.	24.08.2015	ET Bacău Sector Bacău	TLI Bacău	OHS inspection	- Checking entries from individual files on OSH training.	Immediately	achieved
					- Record of high and specific risk areas.	24.09.2015	achieved
					- Signaling and security	Immediately	achieved
14.	11.11.2015	E.T. Brăila Sector Brăila	TLI Brăila	Thematic control Assessment of final safety and health status	-	-	achieved
15.	25.09.2015.	E.T. Constanţa Sediul	TLI Constanţa	System control. Verification	1. EX certification for Negru Vodă gas metering station	28.10.2015	ongoing
					2. Employees' representatives in OHSC to follow a training course in OSH.	28.10.2015	achieved
					3. Ensuring chemical risk assessment, taking into account hazardous chemical agents within the company.	28.10.2015	achieved
					4. Regular processing of the employees with technical safety data sheets of chemicals used within the company.	28.10.2015	achieved

EXTERNAL INSPECTIONS 2015						
Tag No.	Date of inspection	LOCATION(E .T./Dept/ Branch )	Certified Inspection Authority	Description of inspection reason	Measures imposed	Term /form of enforcement
16.	23.09.2015	E.T. Craiova	TLI Dolj	Checking the enforcement and compliance of legal provisions in OHS field.	1. Compliance with the legal provisions of GR 971/ 2006	25.10.2015 achieved
					2. Compliance with IPSSM provisions on updating the access persons	25.10.2015 achieved

### OHS expenses during 2015



## EXPENSES ON OHS CODES DURING 2015

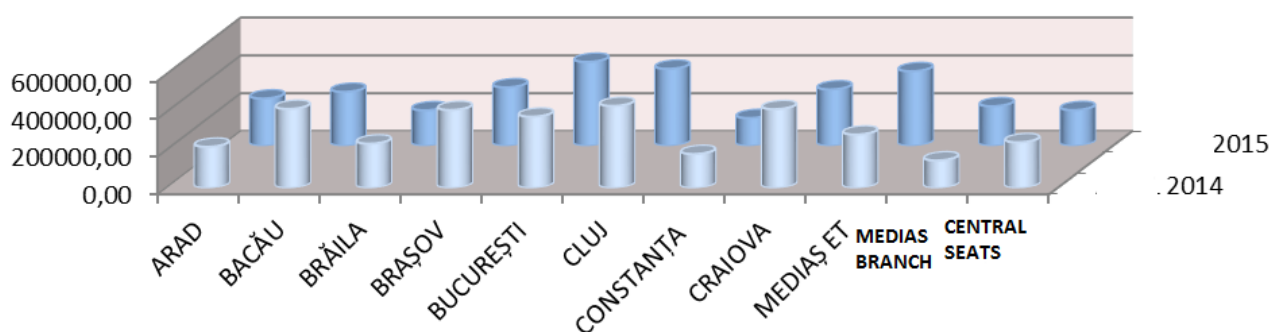


P101- Interior and exterior protective individual equipment	P305- Materials for interior and exterior lighting
P102- Medical examination	P306- Central heating and convectors
P104- Equipping the OHS training rooms	P307- Fixed and mobile gas detectors
P105- Publications in OHS field	P308- Devices for determ. the ethyl mercaptan concentration
P106- Staff certification	P309- Freshener modernization
P108- Staff certification	P310- Drinking water supply
P201- Hygienic and sanitary materials	P311- ergonomic furniture
P202- Pest and vermin control	P313- groundings rerotation
P301- Performant regulators or noise reduction devices	P314- Platforms and electrical insulating carpets
P302- anti Ex. equipments	P315- toilets, bathrooms, showers fitting
P303- Air conditioners	P316- signaling and warning materials

No. Crt.	MAIS code	EXPENSE CATEGORY	AMOUNT RON
1.	P101	Personal protective equipment	1.914.090,64
2.	P102	Medical examination	206,849
3.	P104	Equipping the OHS training rooms	12,59
4.	P105	Publications in OHS field	228,54
5.	P106	Staff certification	5.338,33
6.	P108	Equipments certifications	286.353,39
7.	P201	Hygienic and sanitary materials	116.981,48
8.	P202	Pest and vermin control	75.241,13
9.	P301	Regulators or noise reduction and ajustement devices	155.177,69

10.	P302	Anti Ex equipments	55.585,75
11.	P303	Air conditioners	40.367,03
12.	P305	Materials for interior and exterior lighting	73.583,32
13.	P306	Central heatings and convectors	11.397,46
14.	P307	Fixed and mobile gas detectors	5.188,42
15.	P308	Devices for determining the ethyl mercaptan concentration	1.441,95
16.	P309	Fresheners modernization	75.454,67
17.	P310	Drinking water supply	2.685,96
18.	P311	Ergonomic furniture	1.302
19.	P313	Groundings restoration	23.722,23
20.	P314	Platforms and electrical insulating carpets	2.953,64
21.	P315	toilets, bathrooms, showers fitting.	52.481,74
22.	P316	Signaling and warning materials	14.567,06
<b>TOTAL</b>			<b>3.121.004,02</b>

### Comparison OHS expenses from 2014 with 2015



### Activities developd in the field of environmental protection

#### Legal basis and permits

According to the environmental protection legislation, throughout the year there 4 files for the renewal of the environmental permit were filed and achieved.

Thus, within the company there are **17 environmental permits**, by which there are certified a number of 1183 sites. In terms of water management permits, the relevant legislation requires obtaining the regulatory documents for all sites that are built on waters or relate to waters.

As a result, the company has **130 water management permits** for crossing watercourses with natural gas pipelines, of which since 2015, 21 of them were renewed.



There were prepared the monthly and quarterly reports to the relevant authorities under the obligations from regulatory documents held by the company.

In 2015, according to the agreements concluded on environmental protection, analyzes were performed on domestic wastewaters and wastes from piggings by accredited laboratories, which were handed over to authorized business operators for recovery / disposal of wastes, thus complying with the requirements of the regulatory documents held by the company and of the legislation in force.

## Inspections and sanctions

During 2015 the following types of inspections were planned and achieved:

### A. Internal environmental inspections described in the table and chart below:

*Table with internal inspections performed by the Service – year 2015*

Tag No.	Name of the responsible department	Location inspected	Date of inspection
1.	Environmental Protection Department	Arad	28.09.- 02.10.2015
2.	Environmental Protection Department	Bacău	Not achieved
3.	Environmental Protection Department	Brăila	02.11.- 06.11.2015
4.	Environmental Protection Department	Braşov	27.07.-31.07.2015
5.	Environmental Protection Department	Bucharest	Not achieved
6.	Environmental Protection Department	Cluj	16.03.-20.03.2015
7.	Environmental Protection Department	Constanța	Not achieved
8.	Environmental Protection Department	Craiova	Not achieved
9.	Environmental Protection Department	Mediaş	Not achieved
<b>Total inspections</b>		<b>9</b>	<b>4 achieved</b>

Chart with the level of inspections performance on the sites of SNTG TRANSGAZ SA Medias Year 2015

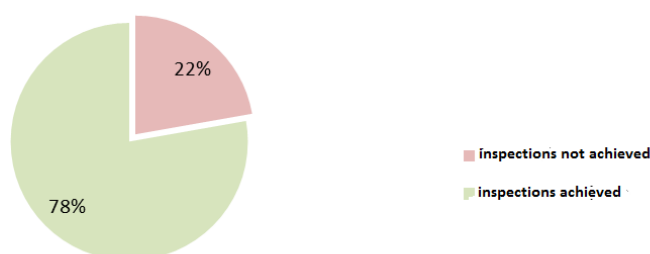


B. **crossed inspections** described in the chart and table below:

**Table with crossed inspections performed by the inspectors in Environmental Protection from the Territorial Exploitations - year 2015**

No. crt.	Name of the unit which performed the inspection	Name of inspected unit	Date of inspection	Observations
1.	E.T. Craiova	E.T.Arad	9.11-.13.11.2015	Without the participation of environment inspector
2.	E.T. Mediaș	ET Bacău	20.04-24.04.2015	Achieved
3.	E.T. Bacău	E.T. Brăila	11.05-15.05.2015	Achieved t
4.	E.T. București	E.T. Brașov	1.11-06.11.2015	Achieved
5.	E.T. Constanța	E.T. București	Not achieved	Achieved
6.	E.T. Arad	E.T. Cluj		Without the participation of environment inspector
7.	E.T. Brăila	E.T. Constanța	25.11-27.11.2015	Achieved
8.	E.T. Brașov	E.T. Craiova	21.09-25.09.2015	Achieved
9.	E.T. Cluj	E.T. Mediaș	30.03-03.04.2015	Achieved
<b>Total inspections</b>		<b>9</b>		<b>7</b>

Chart with the level of crossed inspections performance on the sites of SNTG TRANSGAZ SA year 2015



During 2015, S.N.T.G.N. Transgaz S.A has been subject of 9 inspections presented in the table below.

## Table with external inspections -year 2015

No.crt	Name of control authority	Location inspected	Date of inspection	Sanctions	The level of compliance with the measures imposed
1.	Bucharest Local Police	ET BUCHAREST - SRM Titan	11.02.2015	No sanctions	100%
2.	GNM – Dolj County Police Station	ET Craiova	04.03.2015	No sanctions	100%
3.	GNM –Sibiu County Police Station	SNTGN head office	09.03.2015	No sanctions	100%
4.	GNM –Bucharest County Police Station	ET BUCHAREST - SRM Titan	19.03.2015	No sanctions	100%
5.	Basin administration Olt – SGA Covasn	ET BRAȘOV – head office Sector Bățani	27.05.2015	No sanctions	100%
6.	GNM –Brăila County Police Station	ET Brăila – SCV Șendreni	04.12.2015	No sanctions	100%
7.	GNM –Sibiu County Police Station	ET Mediaș	17.12.2015	No sanctions	100%
8.	GNM –Sibiu County Police Station	Heavy materials warehouse Botorca	18.12.2015	No sanctions	100%
9.	Bucharest Local Police	ET BUCHAREST- SRM Titan	21.12.2015	No sanctions	100%

Related to the contraventions applied to TRANSGAZ S.A. we mention that the company **was not sanctioned for noncompliance with environmental protection provisions**. Following the controls and inspections , there were not imposed any sanctions, being established only **improvement measures**.

The main measures to improve the activity, as reflected by inspection reports of supervisory authorities, have been:

- traceability of hazardous wastes delivered to specialized operators;
- developing action plans in order to comply with the noise level within legal limits;
- noise annual monitoring, by accredited laboratories.
- laboratory analysis of quality indicators of wastewaters discharged as required by the water management permit.
- compliance with the plan for prevention and control of accidental pollutions.
- improving communication with the Environmental Protection Agencies

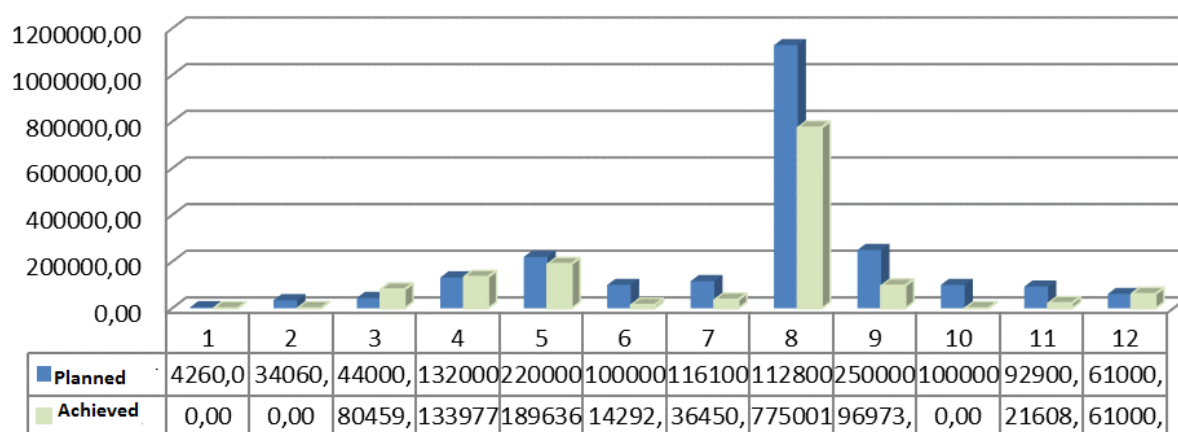
### Environmental expenses

In the table and chart below the environmental protection expenses for 2015 are presented:

Tag No.	Service denomination	Planned	Achieved
		Total 2015 (lei)	Total 2015 (lei)
<b>Chapter II – Environmental services</b>			
1.	Metrological verification services for equipment from Laboratory of Monitoring Environmental Factors	4260.00	0.00

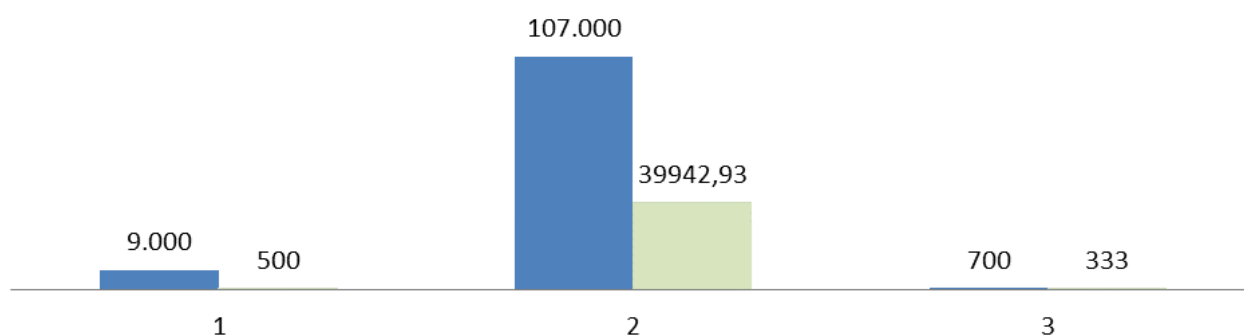
2.	Service of the equipments within the Monitoring Laboratory for Environmental Factors	34060.00	0.00
3.	Capitalization services of hazardous and non hazardous wastes of the company	44000.00	80459.59
4.	Wastewater discharge services	132000.00	133977.03
5.	Sanitation services	220000.00	189636.88
6.	Physicochemical analysis services for the characterization and classification of liquid / solid wastes generated by the pigging/ cleaning on the filter / separating elements	100000.00	14292.00
7.	Physico-chemical analysis services for domestic wastewaters	116100.00	36450.00
8.	Services of compiling technical documentation for obtaining permits on water management	1128000.00	775001.89
9.	Capitalization services of liquid / solid wastes generated by the pigging/ cleaning on the filter / separating elements	250000.00	96973.94
10.	Intervention services in case of occurring an environmental incident	100000.00	0.00
11.	Decontamination services	92900.00	21608.00
12.	Hidrographic analysis services	61000.00	61000.00
<b>Total</b>		<b>2128420.00</b>	<b>1409399.3</b>

Expenses for environmental services - Annex 8



Tag No.	Service denomination	Amount planned (RON)	Amount achieved (RON)
1.	Review of environmental permits depending on the commissioned sites	9,000	500
2.	Review of waste management permits depending on the commissioned sites	107,000	39,942.93
3.	Tax payment to the Environmental Fund	700	333
<b>Total</b>		<b>116,700</b>	<b>40,775.93</b>

Environmental permits expenses - Annex 1



### **Activities developed by the Monitoring Laboratory of Environmental Factors**

The main activities developed by the Monitoring Laboratory of Environmental Factors in 2015 were:

**Monitoring of the sources of pollution and identification and assessment of environmental aspects on S.N.T.G.N.Transgaz S.A sites.**

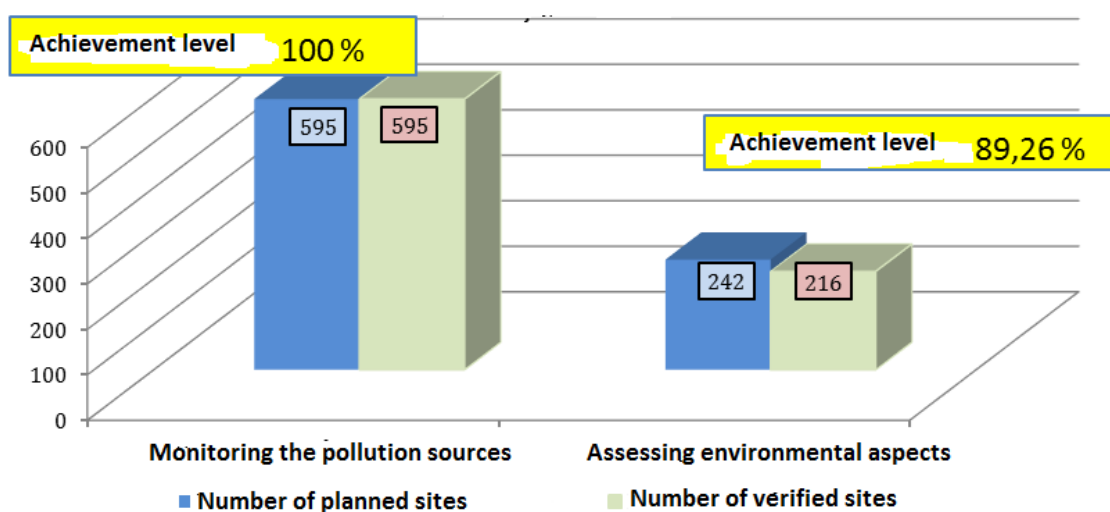
These activities represent specific objectives of the laboratory and part of the overall objective "Reducing the impact of technological processes over the environment " and subsequent to the strategic objective of "Sustainable Development". The activities are included within the Organizational and Operational Regulation of SNTGN Transgaz SA and are part of the integrated management system quality - environment - occupational health and safety programme for 2015.

Running these programs was conducted in accordance with the requirements of the environmental permits issued by NAEP Bucharest and consisted in the systematic performance on company sites of measurements on the environmental factors.

**Table with the level of achieving the monitoring of the pollution sources and of assessing environmental aspects – for 2015**

Reporting period/ Type of activity	Number of sites planned for 2015	Number of sites verified during 2015	Achievement level (%)
For monitoring pollution sources	595	595	100,00
For assessing environmental aspects	242	216	89,26

**Chart with the level of achieving the monitoring of the pollution sources and of assessing environmental aspects on SNTG TRANSGAZ SA Medias for 2015**



### **Activities developed under the Management-Quality-Environment system**

During 31.08 - 10.09.2015 the Romanian Company for Quality Assurance has performed the renewal audit of Certificates on the Integrated Management Quality-Environment-Occupational Safety and Health System, based on Agreement No. 22299.03/2015. The units audited were: the Headquarters, ET Arad , ET Bucharest, ET Cluj.

During the closure meeting, which took place on 10.09.2015, SRAC auditors presented their conclusions, stating that the recommendation of the audit team will be for the renewal of certificates ISO 9001, ISO 14001 and OHSAS 18001 granted to SNTGN TRANSGAZ SA, also being settled the following fields of improvement:

- Filling in of the analysis report with the emergencies occurred, recording the suitability testing / review of emergency plan;
- Achieving the measurable objectives traceability from the top management to the execution level;
- Performing risk assessments according to the TESA staff specifications;
- Allocation of resources for training the waste management responsible at ET level;
- Completion of the list of environmental aspects with all wastes;
- Drivers training , other than the OHS specific topics.

## Stage of internal audits on the Integrated Management System Quality-Environment-Occupational Health and Security on 31.12.2015:

EVALUATION OF THE STATUS OF THE INTERNAL AUDITS							
No. crt.	ET denomination	Scheduled Internal Audits	Internal audits performed by the Internal Auditor	Internal audits not performed exceeding the deadline	Ongoing internal audits	Internal audits to be performed	Crossed internal audits or performed by SRAC
1.	ARAD	22	11	0	0	0	11
2.	BACĂU	21	21	0	0	0	0
3.	BRAȘOV	22	18	4	0	4	0
4.	BRĂILA	21	21	1	0	0	0
5.	BUCHAREST	20	10	0	0	1	9
6.	CLUJ	26	12	0	0	0	14
7.	CRAIOVA	25	24	0	0	0	1
8.	CONSTANȚA	17	7	3	0	3	7
9.	MEDIAȘ	22	7	8	0	8	7
<b>TOTAL</b>		<b>196</b>	<b>131</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>49</b>

Table 1 – Assessment of internal audits stage on 31.12.2015

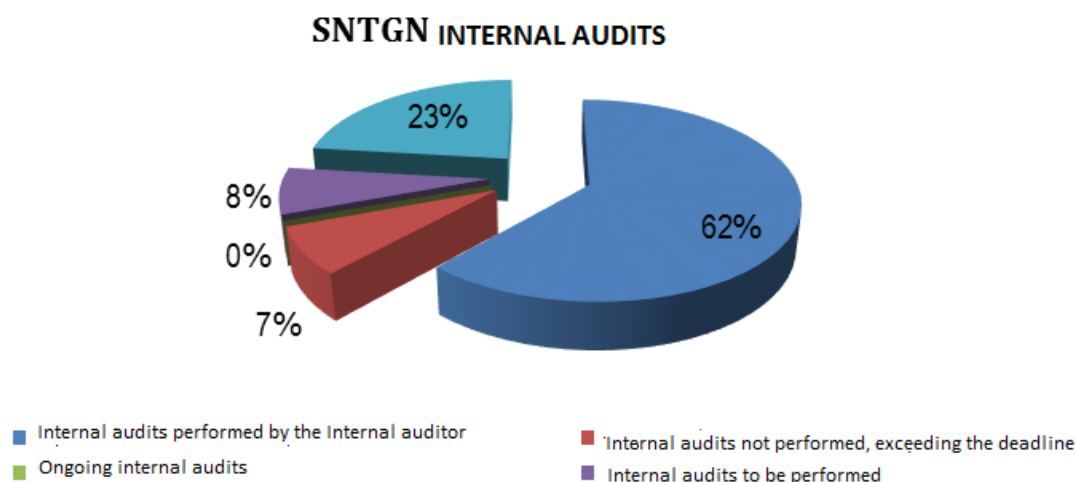
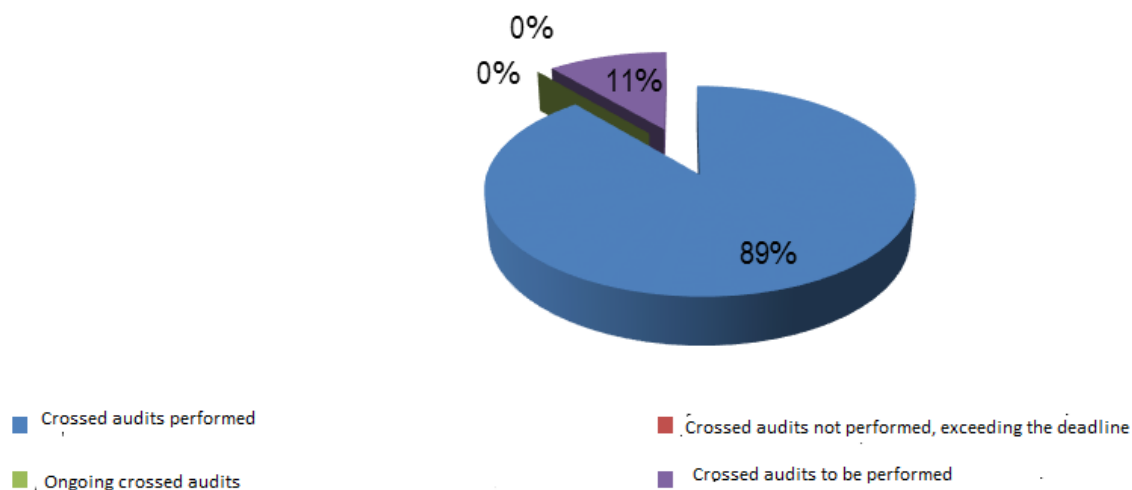


Chart 1- Share of internal audits – 12 months 2015

Tag No.	ET denomination	Crossed audits scheduled	Crossed audits performed	Crossed audits not performed, exceeding the deadline	Ongoing crossed audits	Crossed audits to be performed
1.	ARAD	1	1	0	0	0
2.	BACĂU	1	1	0	0	0
3.	BRAȘOV	1	1	0	0	0
4.	BRĂILA	1	1	0	0	0
5.	BUCUREȘTI	1	0	0	0	1
6.	CLUJ	1	1	0	0	0
7.	CRAIOVA	1	1	0	0	0
8.	CONSTANȚA	1	1	0	0	0
9.	MEDIAȘ	1	1	0	0	0
	<b>TOTAL</b>	<b>9</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>

*Table 2 – Stage assessment of crossed audits on 31.12.2015*

### SNTGN CROSSED AUDITS



*Chart 2- Share of SNTGN crossed audits - 12 months 2015*



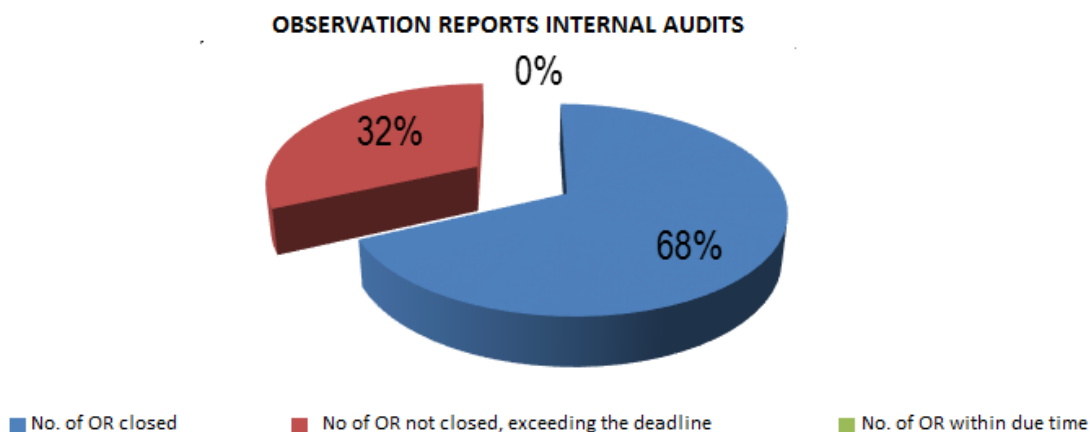
**STAGE ASSESSMENT OF PROCESS AUDITS**

Audited department	Processes	Locations	Scheduled process audits	Process audits performed	Process audits not performed, exceeding the deadline	Process audits to be performed
Operation Dept.	Management of TGN agreements	Headquarters	1	0	1	0
Operation Dept.	Management of quantity and quality gas metering	Headquarters, ET Brăila, ET Braşov	1	1	0	0
	EMM inspection	Headquarters, ET Brăila, ET Braşov				
	NTS dispatching	Headquarters, ET Brăila, ET Braşov				
Exploitation dept, NTS maintenance	Maintenance of NTS pipes	Headquarters, ET Arad, ET mediaş, SC Oneşti, SC Siliştea, SC Şinca, SC Vinţu	1	1	0	0
	Maintenance of RMS , VCV, NT					
	Maintenance of Cathodic Protection Systems					
	Maintenance of compressor stations					
NTS development Dept.	Access to NTS	Headquarters, ET Bucharest ET Brăila	1	1	0	0
	Development of Modernization, Development and Repair Programs					
	Tracking and Reporting of Modernization and Repairs Achievements					
	Management of Emergency Works					
Design/Research Dept.	Design and Research		1	1	0	0
Exploitation - Maintenance	Materials supply and storage	Headquarters, ET Braşov, ET Bucharest	1	0	1	0
Inspection body, Quality -Environment, FPE	Sites protection	Headquarters, ET Constanţa, ET Craiova	1	0	1	0
	Documents archiving	Headquarters, Research office, ET Bacău				
	Internal audit of SMICMSSO					
	Identification and assessment of environmental aspects	Headquarters, ET Mediaş				
	Measuring and monitoring OHS performances					
Strategy and	Strategy drafting	Headquarters	1	0	1	0

**STAGE ASSESSMENT OF PROCESS AUDITS**

Audited department	Processes	Locations	Scheduled process audits	Process audits performed	Process audits not performed, exceeding the deadline	Process audits to be performed
Corporate Management Dept	Strategy monitoring					
	Preparing the sponsorship documents					
Organization, Human Resources Dept	Staff employment	Headquarters, ET Mediaș, ET Brașov	1	0	0	1
	Maintaining and improving personal skills					
	Assessment of individual performances					
Legal Dept.	Settlement of disputes by direct counselling	Headquarters	1	0	0	1
	Legal endorsement of documents					
Exploitation - Maintenance, Mediaș Branch	SMI-CMSSO Analysis	Mediaș branch	1	0	0	1
	Special Operations					
	Unplanned interventions					
	Materials supply and storage					
	Monitoring Environmental Factors					
	Identification and assessment of environmental aspects					
<b>Total</b>			<b>11</b>	<b>4</b>	<b>4</b>	<b>3</b>

*Table 3 – Stage assessment of process audits on 31.12.2015*



*Chart 3- Observation reports internal audits – 12 months 2015*

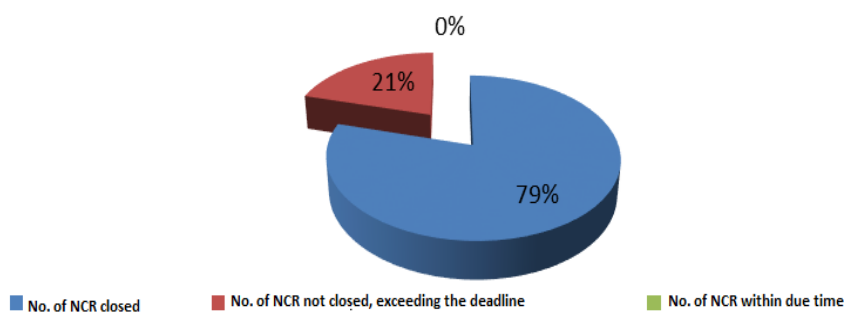
### SYNOPTIC TABLE OF INTERNAL AUDITS OBSERVATIONS

Tag No.	ET denominated	No of observation reports	No. of OR closed	No. of OR not closed, exceeding the deadline	No of OR within due time
1.	ARAD	19	16	3	0
2.	BACĂU	15	10	5	0
3.	BRAȘOV	8	8	0	0
4.	BRĂILA	6	4	2	0
5.	BUCHAREST	4	3	1	0
6.	CLUJ	15	4	11	0
7.	CRAIOVA	16	10	6	0
8.	CONSTANȚA	0	0	0	0
9.	MEDIAȘ	5	5	0	0
	<b>TOTAL</b>	<b>88</b>	<b>60</b>	<b>28</b>	<b>0</b>

## SYNOPTIC TABLE OF INTERNAL AUDITS INCONSISTENCIES

No. crt.	ET denomination	No. of non-compliance reports	No. of NCR closed	No. of NCR not closed, exceeding the deadline	No of NCR within due time
1.	ARAD	1	1	0	0
2.	BACĂU	4	3	1	0
3.	BRAȘOV	4	3	1	0
4.	BRĂILA	0	0	0	0
5.	BUCHAREST	9	8	1	0
6.	CLUJ	2	1	1	0
7.	CRAIOVA	14	11	3	0
8.	CONSTANȚA	0	0	0	0
9.	MEDIAȘ	0	0	0	0
	<b>TOTAL</b>	<b>34</b>	<b>27</b>	<b>7</b>	<b>0</b>

NON-COMPLIANCE REPORTS INTERNAL AUDITS

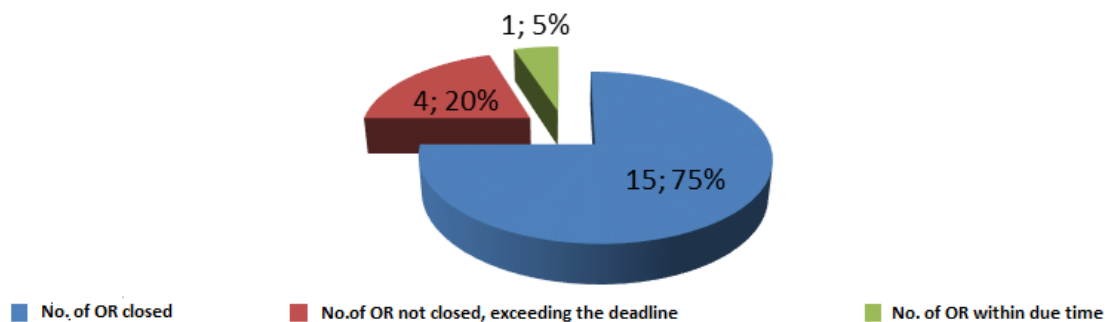


## SYNOPTIC TABLE OF CROSSED AUDITS OBSERVATIONS

No. crt.	Denumire ET	No. of Observations Reports	No. of OR closed	No. of OR not closed exceeding the deadline	No. of OR within due time
1.	ARAD	8	6	0	0
2.	BACĂU	0	0	0	0
3.	BRAȘOV	2	0	2	0
4.	BRĂILA	1	1	0	0
5.	BUCHAREST	0	0	0	0
6.	CLUJ	5	5	0	0
7.	CRAIOVA	2	0	2	0

8.	CONSTANȚA	1	0	0	1
9.	MEDIAȘ	3	3	0	0
	<b>TOTAL</b>	<b>22</b>	<b>15</b>	<b>4</b>	<b>1</b>

OBSERVATION REPORTS CROSSED AUDITS



SYNOPTIC TABLE OF CROSSED AUDITS INCONSISTENCIES

No. crt.	ET denomination	No of Non-Compliant Reports	No. of NCR closed	No. of NCR not closed, exceeding the deadline	No. of NCR within due time
1.	ARAD	2	2	0	0
2.	BACĂU	0	0	0	0
3.	BRAȘOV	2	0	2	0
4.	BRĂILA	0	0	0	0
5.	BUCHAREST	-	-	-	-
6.	CLUJ	0	0	0	0
7.	CRAIOVA	2	0	1	1
8.	CONSTANȚA	0	0	0	0
9.	MEDIAȘ	0	0	0	0

### Counselling process on preparing the working procedures and instructions:

- Within the Board of Administration and General meeting of shareholders Secretariate Department, :

- PP-124 Organization and development of the meetings of the Board of Administration;
- PP-125 Organization and development of BA-O meetings;
- PP-126 Organization and development of GMS meetings;
- IL-PP-124-41 completion of the meetings files;
- IL-PP-124-42 issuance of the statement excerpts.
- Within Public Procurement and Contracting Directorate:
  - PP-36 awarding of public procurement agreements;
  - PP 53 Development of annual program of public procurements.
- Within Strategy and Corporate Management Department:
  - PP-91 Preparation of risks register;
  - PP-92 Development and reporting on the achievement level of indicators provided within the performance standard of natural gas transportation service;
  - PP-106 Risk management;
  - PP-61 Internal and external communication on media requests under Law no. 544/2001;
  - PP-139 Monitoring of annual work programs;
  - PP-142 Staff recording and monitoring
- Within Cooperation and European regulations Department:
  - PP ... Methodology for endorsement and approval of external business trips of the within SNTGN Transgaz SA.
- Within the Department for Works Execution Preparing:
  - PP .... Development and update of the modernization and investments development program.
- Within Examination Body Department –Quality - Environment Protection and Security:
  - IL-PP-01-01 Development of flow chart;
  - PSG-07 Training of employees, collaborators and visitors in the field of occupational safety and health;
  - PGSU-01 Training of employees, collaborators and visitors in the field of emergency situations.
- PP 173 Registration and traceability of documents within SNTGN Transgaz SA;
- Development of Process Procedure PP 175 carrying out the counseling process in order to develop procedures and work instructions;
- Development of Work Instructions IL-PS-01-01 Update and posting documents SMI-CMSSO in the Public Area
- Within Exploitation and Maintenance Department:
  - PP 163 GIS Update, technological schemes, topology (SIMONE);
  - PP 171 Establishing the rules of access to the computerized record system documents / GIS of NTS sites.
- PP 04 following-up the execution of construction works in the protection and safety area of gas transmission pipelines;
- PP 104 issuance of location permits in order to authorize the execution of constructions located in the vicinity of the NTS.
- Within Operation Department:
  - PP 167 – sending the information related to physical input / output points of NTS.
  - PP 174 monitoring the activity of inspections on field of the measurement systems of NG quantities.
- Within the Economic Department:
  - PP 96 Determination, statement, record and payment of local taxes and duties.

The process of Customer Satisfaction assessment for the year 2014:

- 38 questionnaires were sent, 20 questionnaires completed were sent back (52.63% of all users of the transport network), with a percentage of 29.87 less than the previous year;
- There A total number of three complaints was recorded;
- Dissatisfied customers were not identified.

**CALCULATION TABLE – CUSTOMERS SATISFACTION ASSESSMENT 2015**

	A.1	A.2	A.3	A.4	A.5	A.6	B.7	C.8	D.9	E.10	E.11	E.12	F	TOTAL	TENDENCY TO 2013
ALPHA METAL	6	8	8	8	8	8	9	7	9	8	8	8		95	↑
ARELCO POWER	8	6	6	6	8	6	6	7	9	8	6	8		84	↓
ARMAX	8	8	8	8	8	8	9	7	9	8	8	8		97	↑
C-GAZ & ENERGY DISTRIBUȚIE	8	8	8	8	8	8	9	7	9	8	8	8		97	→
CIS GAZ	8	8	8	8		8	6	7	9	8	8	8		86	↓
CONEF GAZ	8	6	8	6	6	6	6	7	6 - E-mail from 26.05.2014 with answer on 30.05.2014 –gas quality Donalam	8	8	8	Flexibility in cancellation of reserved capacity when a branch closes (# 488 / 08.09.2014)	83	→
DISTRIGAZ VEST	8	8	8	8	8	8	9	7	9	8	8	8		97	↑
ELECTROCENTR ALE CONSTANȚA	8	8	8	8	8	8	9	9	9	8	8	8		99	
ELECTROCENTR ALE GALAȚI	8	8	8	8	8	8	9	9	9	8	8	8		99	→
ELECTROCENTR ALE BUCUREȘTI	6	6	6	6	6	6	9	7	9	8	8	8		85	↑
ENERGOTERM	8	8	8	8	8	8	9	7	9	8	8	8		97	↑
INTERAGRO	6	8	8	6	6	6	6	7	9	8	8	8		86	
MET ROMANIA TRADE	6	6	6	6	6	6	9	7	6 - notice 1260 / 2014	8	8	8		82	→
NEXT ENERGY DISTRIBUTION	8	8	8	8	8	8	9	9	9	8	8	8		99	
NORD GAZ	8	8	8	8	8	8	6	9	9	8	6	8		94	↑
TTO GAS	8	6	8	8	8	6	9	7	9	6	8	8		89	↑
ROMGAZ	8	8	8	2	6	8	9	3	3 complaints F2305/29.10.2014;F 189/21.01.2015;F 477/23.02.2015	8	6	8	UR possibility of transferring capacity between the points where it has reservation to the limit of the capacity reserved	77	↓
TINMAR	8	8	8	8	8	8	9	8	9	8	8	8	To take into account othe discussions with RERA representatives on. Network Code and unjustified penalties of producers / suppliers, which make own nominations / re-nomination for the national centralization / balancing, due to the lack of cooperation between network users	98	↓
WIEE ROMÂNIA	8	8	8	8	8	8	9	7	9	8	8	8		97	↑

80-100 points (S) – satisfied customers

60-79 points (PS) – customers partially satisfied

< 60 points – customers not satisfied

Table 4– Customers satisfaction assessment- 2015



## **Activities developed in the field of Protection, Surveillance and Security**

- **The activity related to the defense against fires and emergency situations**
- Completion of the procurement procedure "services for verification, repair, loading fire extinguishers and checking, repair of hydrants facilities";
- ensuring the participation to the meetings of Sibiu County Committee for Emergency Situations;
- 14 sectors were inspected, with their related sites by County Inspectorates for Emergency Situations and completed without applying any contraventional sanctions;
- ensuring the participation to the reception committee on works completion and commissioning of the connection of..M.R S SAM MILLS Satu Mare;
- achievement of inventory for the assets on fire protection and extinguishing/type within the sites S.N.T.G.N „ TRANSGAZ "S.A. Medias;
- conducting an intervention exercise with the Inspectorate for Emergency Situations „ DOBROGEA "Constanta County on the site GMS Negru Vodã;
- steps in order to carry out an intervention exercise in collaboration with the Inspectorate for Emergency Situations „ Cpt. Dumitru Croitoru " Sibiu County at TRANSGAZ headquarters located in Medias, Piata C.I. Motaș.
- conducting an internal control in the field of FPE, SU, security and protection of sites on Territorial Exploitations Cluj, Arad and Braila included in the annual program of guidance and control;
- completion of a procedure on staff training of employees in the field of FPE and Emergencies.
- preparing work instructions regarding fire protection at the workplace.
- Starting a procurement procedure for services of „ preparing documentation to obtain the FPE permit authorization for a number of 3 sites and the identification and assessment of the risk of fire for a total of 33 sites;
- completion of the procurement procedure for services of „ preparing documentation to obtain the FPE permit authorization for a number of 3 sites and the identification and assessment of the risk of fire for a total of 33 sites;
- inventory of required materials in FPE field for 2016 and its sending to the Supply Service;
- sending the financial proposals with the substantiation notes for services provided by third parties;
- completion and sending in the field of the decision on the establishment of preparatory steps for the cold season for NTS sites.
- Achievement of employees training according to the law and to the procedure PGSU - 01;
- Ensuring a viewpoint for projects subject to approval in TEC;
- Preparing documentation in terms of emergency situations for the research topic „ Standard design of electrical installations in explosive hazardous areas "
- performing maintenance works, repairs and checks on equipments of first intervention in the endowment of NTS sites;
- ensuring the participation to the reception committee on completing the works,, change of measuring lines from single directional to double directional" on the sites N.T. Băcia and N.T. Mașloc.
- submission of documentation in order to obtain the fire security permit for Bacău sector;
- completion of identification and fire risk assessment for a total of seven sites;

- sending a necessary report in order to sign an addendum to identify and assess fire risks on the Recovery Plants Poiana Braşov and Constanţa;
- reviewing the decision on the responsables with evacuation of the administrative offices.

#### **Activity of sites security and protection**

- a number of 11 permanent surveillance jobs for the sites with unacceptable risk, work sites and warehouses was established;
- the equipping and installation of the control point Civil Protection Command is ongoing;
- the works at the security dispatch location of SNTGN „ TRANSGAZ " were completed, which will be equipped during the following period;
- the public procurement procedure through open tender for the conclusion of framework agreements for a period of two years for providing security services was canceled as none of the bidding companies submitted a satisfactory offer and compliant with the requirements from the tender book, the assessment committee decided to cancel the procedure.

Following its cancellation one of the companies participating to the procedure has submitted an appeal to the National Council for the Settlement of Appeals, where the decision of tenders assessment committee within Transgaz was validated, as it was considered fair and lawful. Reason for which, the decision to cancel the tender was challenged under the law to the Court of Appeal, this reconfirming the NCSA decision and of Transgaz committee;

- There were inspected a total of two sites by the County Police Inspectorate and completed without applying contraventional sanctions;
- a report was drafted in order to extend guard services agreements until 29/02/2016;
- the tender book for the procurement of security services for the period 2016- 2017 was completed and published in SEAP.

#### **Security Systems**

- maintenance works, repairs and inspections on the security anti-burglary systems and video surveillance were performed for several sites of the company, namely: Training and professional rehabilitation center MECA Constanţa, ET Braşov and TCS Negru Vodă.
- According to the agreement concluded between SNTGN TRANSGAZ SA and the Autonomous Administration RASIROM there the tempestized rooms at the headquarters of SNTGN TRANSGAZ SA from C.I.Motaş square and Unirii, no 11 were completed and security systems were installed, namely detection of burglary, fire, flood, video surveillance and access control which are ongoing to be completed.
- a burglary detection system from the cashier of Mediaş Branch was installed;
- maintenance works on the access control system and extension of the system at the garage access gate from Transgaz Mediaş headquarters located in C.I.Motaş square were performed;
- an access control system and software installed at the Headquarters of Mediaş branch was installed and commissioned, the database was created and customized cards were distributed to all employees.
- the reinstalling of the software and the database update for the access control system at ET Mediaş headquarters was conducted for the new operating system installed within SNTGN TRANSGAZ SA respectively Windows 8;

- the Fargo printer necessary to print the access cards and the identity cards was recommissioned.
- an intervention was executed on demand on the video surveillance systems from the central warehouse Valea Lungă and the uninterruptible source was replaced
- an intervention was executed upon request and an extension of the fire detection system as requested by the Inspectorate for Emergency Situations at the headquarters of ET Craiova.
- an intervention was requested for assessment and recommissioning of the fire detection system at ET Arad headquarters and its extension in the operation archive.
- The service activity started under the Services Agreement no. 147 / 25.03.2015 concluded between SNTGN TRANSGAZ SA Mediaş and SC UTI Grup SA. The revision of security systems was executed, namely the burglary detection systems, fire detection, access control and video surveillance installed in the premises of Transgaz from Mediaş and in the country according to the schedule of works. Under the agreement concluded, the second revision of security systems was completed, the last location on which one intervened being GMS NEGRU VODĂ on 13/01/2016.
- The assessment of the systems began after performing the revision and the creation of the components list that need to be purchased for the performance improvement of security systems or replacement of parts found as defective.

#### **Protection of critical infrastructure**

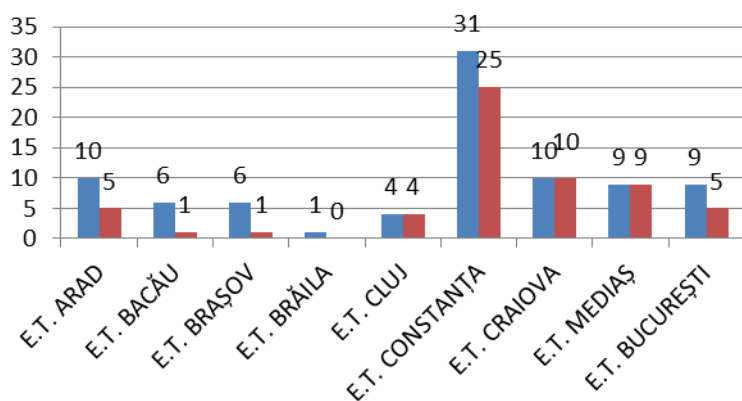
- There were approved the security plans of the Operator for the national critical infrastructure sites designated by the legislation in force for SNTGN TRANSGAZ SA, by the competent authority, the Ministry of Economy, Trade and Tourism that returned one copy for each site for starting the testing and implementation of measures included within the documents;
- the process of viewing the sites for assessment, testing or review, if necessary, of the Security Plans of National Critical Infrastructure Operator was initiated;
- the Decision on assessment, testing and review of the operator's security plans is about to be prepared and also the component plans or documents .

#### **Military Record**

- under the provisions of article 9 para. (4) and Art. 10 (2) of GR no. 1204/2007, requests for mobilization at workplace for employees of SNTGN Transgaz SA were prepared that meet the legal criteria and they have been submitted for approval to the Territorial Service for Special Problems Sibiu, namely to the County Military centers;
- identity and access cards were issued to the new employees or to those who have changed their jobs;
- necessary communications were prepared for updating the economic and military monograph of the counties for which data were requested;
- the access credentials within the sites of SNTGN Transgaz SA for staff carrying out various activities were drafted .
- there the credentials for access for foreigners that enter the sites of critical infrastructure (GMS Isaccea, GMS Negru Vodă and GMS Medieşu Aurit) were updated and submitted for approval to the Ministry of Economy, Trade and Tourism

## ASSESSMENT OF SCHEDULED AND CONDUCTED INTERNAL INSPECTIONS IN 2015

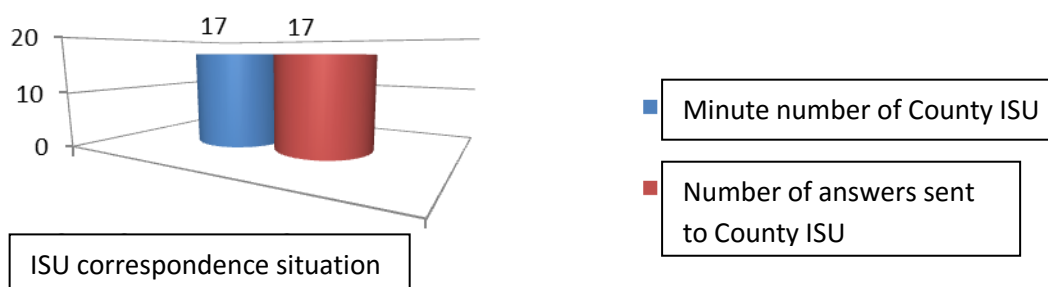
ASSESSMENT OF SCHEDULED AND CONDUCTED INTERNAL INSPECTIONS IN 2015			
E.T name	SCHEDULED INTERNAL INSPECTIONS	CONDUCTED INTERNAL INSPECTIONS	INTERNAL INSPECTIONS NOT MADE
Serv.PPSU	10	5	4
ARAD	6	1	5
BACĂU	6	1	0
BRAȘOV	1	0	0
BRĂILA	4	4	0
BUCUREȘTI	31	25	6
CLUJ	10	10	0
CRAIOVA	9	9	0
CONSTANȚA	9	5	3
MEDIAȘ	11	3	1
<b>TOTAL</b>	<b>97</b>	<b>63</b>	<b>19</b>



**A comparative analysis of of conducted inspections as to scheduled inspections in year 2015**

- Scheduled internal inspections
- Conducted internal inspections

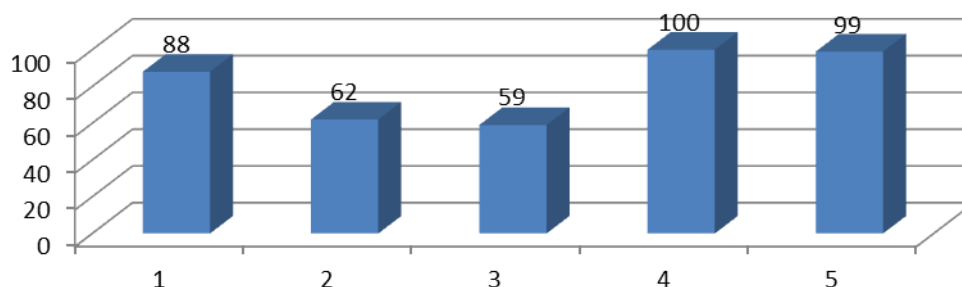
ASSESSMENT OF COUNTY ISU EXTERNAL INSPECTIONS IN 2015			
E.T. name	INSPECTION MINUTE NO.	UNIT WHICH CONDUCTED THE INSPECTION	INSPECTED OBJECTIVE ( E.T./SECTOR)
Serv.PPSU			
ARAD	3206265/22.07.2015	ISU " IANCU DE HUNEDOARA"	Deva Sector
BACĂU	No. 184/06.02.2015	ISU Botoșani	S. Fălticeni
	No.393648/07.08.15	ISU Neamț	SRM Cordun/S. Bacău
	No. 4606/01.10.15	ISU Bacău	S. Onești,Bacău and Comănești
BRAȘOV	No.61000/34 from 04.09.2015	Police of BV Municipality, Police Station 2	E.T headquarters Brasov
	No.39 from 05.10.2015	Police of Odorheiu Secuiesc Municipality	Batani sector - SRM Odorheiu Secuiesc
BRĂILA	7516/08.10.2015	ISU BRĂILA	E.T. headquarters + BRĂILA SECTOR
	5028/20.08.2015	ISU IALOMIȚA	SLOBOZIA SECTOR
BUCHAREST	5276135/14.05.2015 ADDRESS FOR COMMUNICATING APPROVAL	ISU DEALUL SPIRII BUC-ILFOV conducted recognition on the field	E.T headquarters in Bucharest
CLUJ	66/20.01.2015	ISU Mures	ET Cluj - Ludus Sector
	51/19.02.2015	ISU Satu Mare	ET Cluj - SMG Mediesu Aurit
	28/26.02.2015	ISU Satu Mare	ET Cluj - Satu Mare Sector
	469/18.06.2015	ISU Bihor	ET Cluj - Marghita Sector
CRAIOVA	625711/26.05.2015	I.S.U. "General Magheru" Vâlcea	Sector
	3064594/17.06.2015	I.S.U. "Dumitru Penescu" Gorj	Sector
	69122/20.08.2015	I.S.U. "Oltenia" Dolj	Sector
CONSTANȚA			
MEDIAȘ	No. 4973/21.07.2015	I.S.U. Mureș	ET Mediaș/ Târnăveni Sector



ASSESEMENT OF COUNTY IPJ INSPECTIONS IN 2015			
E.T name	INSPECTION MINUTE NO.	UNIT WHICH CONDUCTED THE INSPECTION ( IPJ ...)	INSPECTED OBJECTIVE ( E.T./SECTOR)
Serv.PPSU	-	-	-
ARAD	-	-	-
BACĂU	-	-	-
BRAȘOV	No.64800/17/239 from 14.07.15	IPJ Bacău, Police Station 1	SRM Sofert/ Bacău Sector /E.T. Bacău
BRĂILA			
BUCHAREST	2516897/16.11.2015	DGPMB - SECTION 20	E.T headquarters Bucharest
CLUJ			
CRAIOVA			
CONSTANȚA	7750/23.11.2015	IPJ Constanta, Police of Negru Voda	E.T. Constanta, S.M.G.Negru Voda
	5891/22.09.2015	IPJ Constanta, Police Station 2 of Constanta	E.T. Constanta, S.R.M.Constanta
	74215/21.04.2015	IPJ Tulcea	E.T.Constanta, Isaccea Sector, Radiorelay Niculitel
	74213/21.04.2015	IPJ Tulcea	E.T.Constanta, Isaccea Sector, S.R.M.Tulcea
	74214/21.04.2015	IPJ Tulcea	E.T.Constanta, SMG Isaccea
MEDIAȘ	-	-	-

### ACHIEVEMENTS 2015 PPSU DEPARTMENT

Current no. Program	Name of services/fees	Budgeted amount				
			Estimated	Achieved	Balance 2016	Achievements of estimates %
1.	Security services	14,000,000	12.055.599,57	12.055.599,57	1.944.400,43	88
2.	Security systems maintenance services	400.000,00	250.000	154.307,54	245.692,46	62
3.	Documentation preparation services for obtaining PSI authorization	48.485,77	18.000	10.663	37.823,16	59
4.	Risk assessment services for the physical security	14.500	14.500	14.500	0	100
5.	Services for checking, repairing and loading fire extinguishers and for checking hydrants installations	117.857,28	90.000	88.798.64	29.058,64	99



## Activities carried out in the field of Documents management

*In the activity regarding recording and sending unclassified documents* a number of issues regarding the circulation of documents were solved by internal regulations so that there is no loss / damage.

- The General Registry has started drafting a regulation regarding the 'handing over – receipt of documents" for registration and dispatch.

*In the activity regarding the preparation, management and archiving of classified documents,* the following have been solved:

- Annexes of the *Prevention Program Against Leakage Of Classified Information* were updated;
- The list of security certificates holders / authorizations for access to classified information in S.N.T.G.N. TRANSGAZ S.A was updated;
- *Internal rules on the protection of classified and unclassified information* were updated, approved by *Decision no. 115 / 19.02.2015*;
- as protection of the documents stored in the archive, Circular no. 5522/05.02.2015 was issued- regarding the request of documents from archival deposits of the company;
- employee training was done regarding the protection of classified and unclassified information;
- documents that were classified according to Decision of the Council of Ministers no. 19/1972 were declassified;
- three workstations are operational and were connected to the network dedicated to WORK SECRET;
- a contract was signed with RASIROM Autonomous Administration for tempering rooms from headquarters of C.I. Motaş Square No. 1 and Unirii street, no. 11, Medias;
- a firm order was submitted for the tempered system to RASIROM Autonomous Administration.

*In the activity regarding the management and archiving of unclassified documents, the following were solved:*

- A contract was concluded for handing over waste paper, from the first work of selecting documents, made in the company;
- On the basis of the signed contract, 4.240 kg of paper were handed to SC VRANCART SA, at the price of 0,2 lei / kg;
- electronic archive database has been expanded by taking technical documents into archival storage;
- the building on Carpați street was cleared, where technical documents were stored, in view of demolition and reconstruction of a new building;
- Specifications are drafted regarding the acquisition of "archiving services".
- The Rooms where the tempering works were going to be conducted were cleared.
- 500 invoices with their supporting documents from the technical archive have been identified and xerox-copied, to be made available to control inspectors from the National Agency of Fiscal Administration.
- 26 invoices with their supporting documents from the technical archive have been identified and xerox-copied, to be sent to the Directorate for Investigating Organized Crime and Terrorism, according to requests from the Legal Department and Development Department.
- works were completed for TEMPEST rooms from the two locations of Transgaz Medias administrative offices.



- the necessary documentation on new services contracts / 2016 were prepared and submitted to the Public Acquisitions and Contracts Department, regarding the international mail and manufacturing of seals and standardized records.
- the Specifications regarding the acquisition of "Archiving Services" has been completed and sent to the Public Acquisitions and Contracts Department for initiating the acquisition.
- updating and filling in documents related to the Security Structure of Transgaz S.A. NTSNG.
- new works of selecting existing documents in archive storage and no longer of any informational interest were started.

Tag. No.	Expense reporting within the Service Management Documents for 2015				
	Service name	Estimated value / lei	Earned / Spent lei	Earned %	Obs.
1.	Dispatch services with mailing acknowledgment of receipt	75000	50760.84	100	The difference between the estimated amount and the amount spent is due to an overestimation of the value.
2.	Dispatch services with postal stamps	25000	15781.1	100	
3.	Delivery and shipping through DHL International	40000	37537.65	100	
4.	Services for making seals and standard documents	25000	18793.9	100	
5.	Archiving services	1100000	-	-	-
	<b>Total</b>	<b>1265000</b>	<b>122873.49</b>	<b>-</b>	<b>-</b>
Note	Archiving services are being purchased, because the construction of the building intended for archiving documents is not completed.				

### **Activities in the field of Surveillance and Control**

Missions of the Surveillance and Control department were focused on ensuring an endeavor to minimize the risk of errors and non-conformities, aimed at achieving performance at all levels of the company. Thus, the focus was mainly on:

- identify possible factors that may affect the achievement of the Administration Plan;
- proposing viable solutions during the development of projects, primarily those with European funding.

During 2015, 15 control themes were submitted for settlement. The centralized situation of the **17 control missions** including **2 started in 2014 and continued in 2015** shown in Table 1, shows that they were aimed at:

- interconnections execution;
- projects with European funds;
- cost optimization;
- improving the quality of execution of works;

- miscellaneous

Crt. No.	Control mission theme	Mission status
<b>interconnections execution and projects with European funds</b>		
1.	Checking the implementation of the technical project related to the Danube crossing / undercrossing works to interconnect the gas transmission systems from Romania and Bulgaria	The draft of the Control Report was presented to the management of the company and it will be completed with new elements upon project completion
2.	Implementing SCADA system for the gas network within SNTGN „TRANSGAZ„ S.A.	The draft of the Control Report was presented to the management of the company and it will be completed with new elements upon project completion
<b>cost optimization</b>		
3.	Checking the use of fuel at a total of 32 vehicles belonging to SNTGNransgaz SA, in the period April-June 2015	mission completed
4.	The purchase and use of recipient cards in the fuel supply	mission completed
5.	Correlation of recorded expenses of employees' travel from the Medias Branch with the complexity of works performed during the period January-September 2015	Mission temporarily suspended due to priority of other control missions
<b>improving the quality of execution of works</b>		
6.	Verification of technical projects and rehabilitation works in the territorial exploitations for the period 01.01.2010-31.12.2014: a) verification of works carried out on the pipeline Coroi - Bucharest, plateau section Izvor Sinaia – Filipești b) verification of the rehabilitation of banks and signals at crossing the Danube with transit pipelines in Isaccea area	Mission temporarily suspended due to priority of other control missions
7.	Verification of conformity of the execution of technical projects regarding the rehabilitation of Band Technological Node	Mission temporarily suspended due to priority of other control missions
8.	Verification of the causes that have led to areas of vulnerability in the NTS which present risk for exploiting	Mission temporarily suspended due to priority of other control missions
9.	Checking the reported non-conformities of valves in NT Pillar 89	mission completed
10.	Verification of the situation observed in Afumați Technological	mission completed
11.	Verification of conformity of the execution of the technical project for gas transport pipeline work Vaslui-Iasi	mission completed
12.	Checking automation stage of SRMs / NT / cut off valves/ MGSs and TCSs	Mission temporarily suspended due to priority of other control missions
13.	Checking contracts signed with POSADA MED SRL company	Mission temporarily suspended due to priority of other control missions

Miscellaneous		
14.	Checking the situation reported by Vizitiu spouses	The Information draft has not been submitted to the management of the company because Vizitiu spouses had decided to to end their employment relationship with cu TRANSGAZ
15.	Checking the incident produced at Constanța Territorial Exploitation, reported by Mr. Stan Dragoș	mission completed
16.	Checking the truthfulness of those stated by Mr. Frunzescu Cristinel	mission completed
17.	Verifying the legality of the receipt of rights as inventor of the patent regarding the "installation for natural gas odorization" as well as the quality of SC SUDOCOR VMV SRL owned by Mr.Lața Ilie	The draft of the Control Report will be completed with the view of the Legal Department

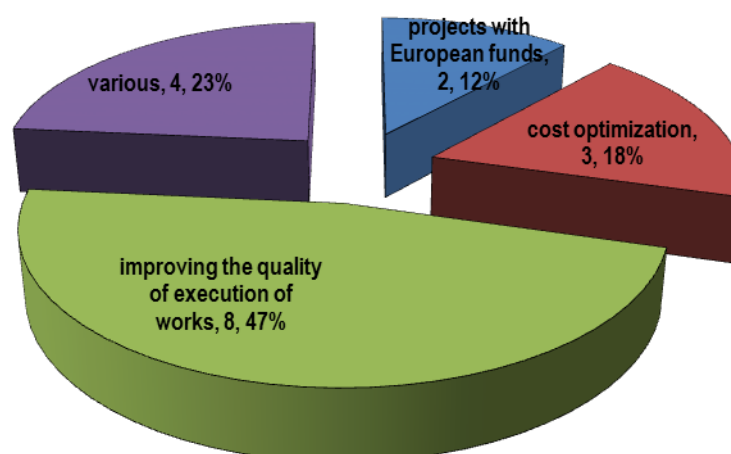
Constantly, at the Surveillance and Control Department, surveilled the proper and prompt performance of the control missions and sought to preserve the efficiency and quality indicators.

Of the prejudices established by the control missions conducted in 2013 and 2014 respectively, until 31.12.2015, the total amount of **361,432.12** lei was recovered, representing the:

- a moto-current generator self-towed stolen in 2014 from SRMP Buciumeni - **7.068 lei**;
- a quantity of 722 lm of waste pipe resulting from the rehabilitation works at the natural gas transmission pipeline Corunca - Tătărlăua - **121,842.4 lei**;
- the recovery of the damages caused by the company SC Lavi Star 2007 SRL Pitesti during the performance of the contract no.236 / 05.05.2013, having as object the sale and purchase of buried tubular material on the sections Nadeș - Fantanele and Axente Sever - Țapu - **232,521.72 lei**.

According to chart 1, results that most of the control missions entrusted were circumscribed to the objectives regarding the improvement of the execution quality of works (**47%**).

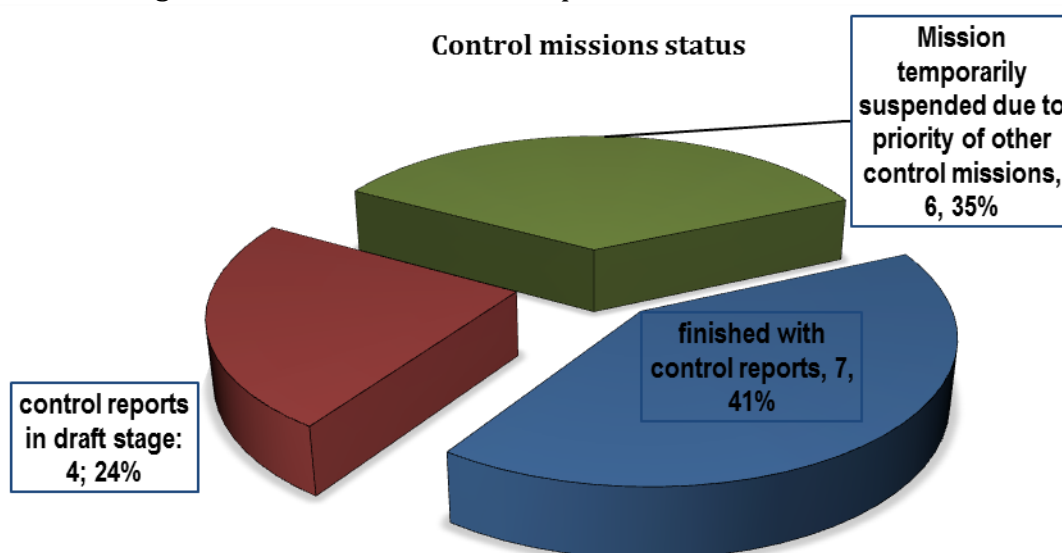
Control missions objectives



*Graph 4 - Situation of control mission objectives - 12 months 2015*

The status of control missions entrusted in 2015 is presented in the chart no.2. The fact that 35% of them are in progress is motivated by:

- their particular complexity;
- fulfilling several missions in parallel;
- nominating staff in committees / working groups;
- interference at the head of department / head office of duties specific for the management and for the execution phase.



*Graph 5- Control missions' status - 12 months 2015*

The results of the 7 control missions are summarized in the following table.

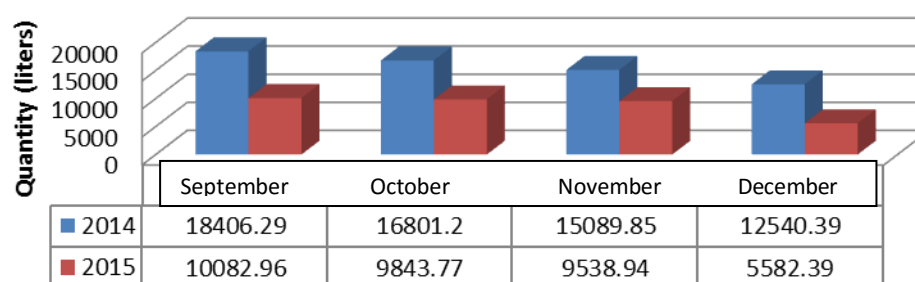
Crt. No.	Control mission theme	Damage value [lei]	No. of measures	File sent to the Disciplinary Commission	File sent to the Prosecution Office
1.	The purchase and use of recipient cards in the fuel supply	261,003.48	25	Yes	Yes
2.	Checking the incident produced at Constanța Territorial Exploitation, reported by Mr. Stan Dragoș	0	4	Yes	No
3.	Checking the reported non-conformities of valves in NT Pillar 89	0	5	No	No
4.	Checking the use of fuel at	8,422.15	6	Yes	No

	a total of 32 vehicles belonging to SNTGN Transgaz SA, in the period April-June 2015				
5.	Verification of the situation observed in Afumați Technological Node	0	2	No	No
6.	Verification of conformity of the execution of the technical project for gas transport pipeline work Vaslui-Iasi	0	4	No	No
7.	Checking the truthfulness of those stated by Mr. Frunzescu Cristinel	0	3	No	No

The damage value established at the control mission with the theme "*Purchase and use of recipient cards in fuel supply*" and the proposed measures to be implemented for non-conformities identified during its performance, prove its complexity. It is worth mentioning that the verified period was **01.12.2012-31.05.2015**, related to the **Framework Agreement no. 516 / 21997 / 06.11.2012** concluded with OMV PETROM MARKETING SRL, with a duration of 30 months (10.12.2012-10.05.2015), having as object fueling the vehicles owned by SNTGN TRANSGAZ SA as well as the existing equipment.

The impact of the control mission was to reduce fuel feeds related to cards recipients between 45.2% -55.5% as compared to 2014. In chart no. 3 we indicated the situation of the quantities of fuel supplied during September -December 2015 as compared to the same period in 2014.

**Comparative analysis regarding the fuel quantities supplied by cards recipients at NTSNG Transgaz SA Medias**



Based on the decisions of the Director General, the staff of the Surveillance and Control Department and Fraud Control Office was appointed in joint committees / working groups who have completed inspection reports / information required by structures both within and outside the company. In table 3 the themes under review by committees to which the recruited specialist staff has contributed are centralised.

Crt. No.	Theme	Deadline
1.	Assessment and establishment of damage in the criminal file no.4/D/P/2014	22.07.2015
2.	Assessment of works performed by Mediaş Branch in the SCADA project	31.07.2015
3.	The use to financial resources provided to Sports Club Gaz Metan Medias, based on sponsorship contracts concluded with NTSNG TRANSGAZ SA Mediaş	30.07.2015
4.	Feasibility analysis of the asset transfer related to Sports Club Gaz Metan Medias to Medias City Hall	30.09.2015

The activity of the Control Body Service in 2015 had a positive note with regard to quality, to which competed both the activity on the field and the special contribution of those who perform document analysis activities.

On the other hand, the quality of activity of the employees from Control Body Service and Fraud Control Bureau must be analyzed by reference to the major complexity of the control missions.

### ***Other activities***

Starting this year, at the department level, according to the approved internal programs, the following inspections / audits were made:

- internal inspections – carried out by specialist inspectors within the department;
- cross-inspections – carried out by a specialized team of inspectors from a Territorial Exploitation to another Territorial Exploitation;
- internal audits – according to the Audit Plan at the company level, made by auditors of the specialized service;
- cross audits – carried out by a specialized team of inspectors/quality auditors from a Territorial Exploitation to another Territorial Exploitation.

This activity aims mainly at observing the compliance with legal provisions from the field of health and safety at work, environmental protection, emergency situations, prevention of accidents in different fields, improving the performance of their activities in order to avoid the application of administrative sanctions by the controlling bodies.

Performance of multiple types of audits or audit process and integrated audit, aimed at maintaining, applying and improving procedures within the Integrated Management System Quality - Environment - SSO.