



**SOCIETATEA NAȚIONALĂ DE TRANSPORT  
GAZE NATURALE "TRANSGAZ" SA MEDIAȘ**  
Capital social: 117 738 440,00 LEI  
ORC: J32/301/2000; C.I.F.: RO13068733  
P-ța C. I. Motaș nr. 1, cod: 551130, Mediaș, Jud. Sibiu  
Tel.: 0040 269 803333, 803334; Fax: 0040 269 839029  
<http://www.transgaz.ro>; E-mail: [cabinet@transgaz.ro](mailto:cabinet@transgaz.ro)



No. DORU 4606/31.10.2014

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

## Report

### On the proposal to approve the Rules of procedure and organization of TRANSGAZ' Board of Administration

#### SUMMARY

According to the provisions of GEO no 109/2011 on the corporate governance of public enterprises, as amended, TRANSGAZ' General Shareholders' Meeting on 10 July 2013, decided the election of the members of the Board of Administration. The Board of Administration comprises 5 members, most of them being independent and non-executive, one of them is the Chairman and another one the executive administrator, acting also as Director General.

The administrators were elected for 4 years, they concluded mandate contracts with the company and they are remunerated for their activity with a fixed monthly allowance and a variable component calculated based on the performance indicators, achieved annually, as compared with the performance indicators provided in the administration plan.

Five advisory committees have been constituted within the Board of Administration, according to the legal provisions.

Within this context the updating of the provisions of the Rules of procedure and organization of the Board of administration was necessary. These rules of procedure proposed for approval include the provisions related to the organization, operation, structure, operating procedure (convening, preparation of the meetings, their organization) members' liabilities and responsibilities.

#### PROPOSAL

The approval of the Rules of procedure and organization of the Board of Administration by TRANSGAZ' General Shareholders' Meeting, based on the provisions of Chapter IV, art. 15, point 3, letter j of TRANSGAZ' Incorporation Document, updated, as proposed.

The Board of Administration of the National Gas Transmission Company TRANSGAZ SA operates based on GEO no. 109/2011 on the corporate governance of public enterprises, as amended, the companies' Law no. 31/1990, republished as amended from time to time, TRANSGAZ' Incorporation Act as approved and these Rules of procedure and organization.

According to art 142 of companies' Law no. 31/1990, republished as amended from time to time the Board of Administration has to execute every necessary act for the performance of the company's activities, except for the ones under the competence of the General Shareholders' meeting, according to the law.

TRANSGAZ is managed by a Board of Administration comprising 5 members, most of the members of the Board of Administration are independent and non-executive administrators being chaired by a Chairman.

The Board of Administration delegated the management of the company to a Director General who is also an administrator, thus becoming an executive administrator.

Each of the administrators signed a mandate contract with TRANSGAZ for four years, which comprises, among other provisions, their remuneration and the rights and obligations of the administrator (authorized person).

According to the applicable legal provisions five advisory committees were constituted within the Board of Administration as follows:

1. The Nomination and Remuneration Committee;
2. The Audit and Rating Committee;
3. The NTS Safety and Security Committee;
4. Development and Strategy Committee;
5. The Regulation and Public Authorities Relations Committee.

These advisory committees operate according to an Internal Regulation. According to the provisions of TRANSGAZ' Incorporation Document, the Board of Administration operates based on the Rules of procedure and organization and on the applicable legal regulations.

Annexes: The Rules of procedure and organization submitted for approval.

**STERIAN ION**

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**