

REPORT

on the achievement of the financial and non-financial performance indicators - annex to the administrators' mandate contracts in Half I 2025

Financial performance indicators for the calculation of the variable component of the remuneration

No.	Indicator	Objective	2025	
			Management Plan 2021-2025*	Achieved H I
1.	Outstanding payments	<i>Maintenance of the outstanding payments at zero.</i>	0	0
2.	Operating expenses (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and charges) (thousand lei)	<i>Maintenance of the operating expenses (less depreciation, balancing, construction activity and provisions for impairment of assets and for risks and charges) at the level under the Management Plan</i>	1.782.027	699.343
3.	Overall liquidity ratio	<i>Liquidity ratio to record annual values higher than 1</i>	1	0,98
4.	Net leverage rate	Maintenance of a net leverage rate below the limits set for obtaining bank financing, i.e.: 5-2021, 5,5-2022-2024, 5-2025	5	3,96
5.	EBITDA (thousand lei)	Achievement of the EBITDA target under the Management Plan	867.934	719.401

* At the date of this Report on the status of the performance indicators, the corporate process of developing the Management Plan for the mandate 2025–2029, in accordance with the provisions of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as amended and with the provisions of the Shareholders' Letter of Expectations for the mandate 2025-2029 is ongoing.

Non-financial performance indicators for the calculation of the variable component of the remuneration

No.	Indicator	Objective	No.	2025		Achievement degree
				Planned	Achieved Half I (29.04.2025)	
Operational						
6	Monitoring the Investment Strategy and Implementation	Achievement of the FID projects under the TYNDP (2024-2033) <i>I = (achieved+initiated actions)/proposed actions</i>				
		Development on the Romanian territory of the Southern Transmission Corridor for taking over the Black Sea gas	6.1	Construction 2023-2025 Completion date - 2025.	On 16 June 2023, the works commencement order was signed. The work was completed according to schedule and is currently in the acceptance phase.	100%
		Development of the SCADA system for the National Gas Transmission System	6.2	Project implementation 2024-2025 Completion date 2025	The work is in progress according to the schedule.	100%
7	Increasing energy efficiency	Maintaining the share of the NTS gas consumption in the total circulated gas below 1%	7.1	<1	0,37%	100%
8	Customer satisfaction	Achievement of the targets established in the management plan (According to PP SA 02 - Customer satisfaction assessment, a score between 6-8 represents the fact that the services offered met accordingly the requirements of the customers)	8.1	8	Achieved – 8 Report no. SMC/ 20511/11.03.2025 on the evaluation of SNTGN Transgaz SA clients satisfaction for 2024	It is monitored annually
9	Strengthening and diversifying cooperation and collaboration relations with European gas transmission system operators	Conclusion of memoranda of cooperation and collaboration with European gas transmission system operators (minimum 5 operators) regarding the collaboration on hydrogen injection	9.1	1	A joint Memorandum of Understanding was signed between four gas transmission system operators in Central Europe (Transgaz - Romania, Gaz-System - Poland, Eustream - Slovakia and FGSZ – Hungary), on exploring the possibilities of decarbonising their operations, transmitting green gas and investigating the potential of transmitting CO ₂ .	100%
Public service oriented						
10	Performance indicators related to the gas transmission service	Achievement of the targets established in the Performance Standard for the gas transmission service (ANRE Order 140/2021 entered into force as at 1 October 2022).	10.1	$IP_0^1 \geq 90\%$	99,71%	100%
			10.2	$IP_1^1 \geq 90\%$	100%	
			10.3	$IP_1^2 \geq 95\%$	*	
			10.4	$IP_1^3 \geq 95\%$	*	
			10.5	$IP_1^4 \geq 95\%$	100%	
			10.6	$IP_1^5 \geq 95\%$	*	
			10.7	$IP_2^1 \geq 95\%$	100%	

			10.8	$IP_3^1 \geq 95\%$	97,92%	
			10.9	$IP_3^2 \geq 95\%$	*	
			10.10	$IP_4^1 \geq 95\%$	*	
			10.12	$IP_5^1 \geq 98\%$	100%	
			10.12	$IP_5^2 \geq 98\%$	100%	
			10.13	$IP_6^1 \geq 98\%$	100%	
			10.14	$IP_6^2 \geq 98\%$	100%	
Corporate governance						
11	Optimization of internal/management control system	<p>Implementing the provisions of GSG Order 600/2018 for the approval of the Internal/Management Control Code of public enterprises as amended.</p> <p>$I = \text{implemented standards/ standards provided for in the Order 600/2018} \times 100$</p> <p>Implementation of the measures established in the internal/management control system</p> <p>Implementation Plan</p> <p>$I = \text{Implemented measures /proposed measures} \times 100$</p>	11.1	Development of the internal /management control system for maintaining it at a level considered compliant with the standards included in the Internal/Management Control Code.	<p>Achieved</p> <ul style="list-style-type: none"> - Monitoring Committee Decision 424/01.04.2025; - letter to GSG 5899/ 27.01.2025, entry no. to GSG 2246/28.01.2025 regarding the submission of the following internal/management control system reporting documents: <ul style="list-style-type: none"> ▪ Report of the Director General on the Internal/Managerial Control System as at 31 December 2024, no. 5899/27.01.2025; ▪ Centralizing report on the implementation and development of the internal/managerial control system within SNTGN Transgaz SA, as at 31 December 2024, no. 5899/ 27.01.2025. <p>The data provided for in the above documents are uploaded in the SCIM (Internal Management Control System) – GSG (The General Secretariat of the Government) IT Platform. The General Secretariat of the Government notifies the approval of the forms uploaded in the IT Platform by e-mail dated 11.03.2025);</p> <ul style="list-style-type: none"> - SCI/M (Internal Management Control System) development programme, updated for the year 2025, no. DSMC/17231/03.03.2025; - Report on the state of implementation of the internal/managerial control system at Transgaz level for the year 2024, no. DSMC/12957/ 17.02.2025; - Report on performance monitoring at Transgaz level for 2024, no. DSMC/16175/ 26.02.2025; - Report to the Director General on the monitoring of performance and the progress of SCIM implementation at Transgaz for 2024, by Letter no. 28018/02.04.2025; - the Board of Administration took note of Report DG/31903/14.04.2025 on "The progress of implementation of 	100%

					the internal control/management system and the monitoring of performance", for 2024 by BoA Resolution 11/28.04.2025.	
			11.2	Streamline the processing and management of SCI/M documentation by implementing an SCI/M web platform (preparation of procurement documents).	<p>Achieved</p> <ul style="list-style-type: none"> - Tender book no. 43806/08.06.2021 for the design and implementation of the SCI/M web platform . The analysis, diagnosis, assessment of the Internal/Managerial Control System is included in Chapter 2 of the Specifications. - Necessity report no. DSMC/61781/22.08.2023 on the budgeting of the product 'Automated Information System dedicated to the development, management and continuous monitoring of the Internal/Managerial Control System; -The implementation of the platform was postponed to Q IV 2025. 	100%
12	Optimization of risk management process	Implementation of the requirements of Standard 8 of GSG Order no. 600/2018 for the approval of the internal/management Control Code of public entities as further amended. Moving to a 5-step risk assessment scale	12.1	Continuous monitoring and adaptation of the organisational, conceptual and methodological framework of the risk management process	<p>Achieved</p> <ul style="list-style-type: none"> - EGR Decision No 331/ 14.03.2025; -EGR Decision no. 721/22.05.2025; - Risk Management Strategy, 2021-2025; no. DSMC/38586/ 19.05.2021 was approved by Board of Administration Resolution. 25/31.08.2021; - the meeting of the Board of Administration held on 28 April 2025 (BoA Resolution 11/2025) took note of the "Report no. DG/31902/14.04.2025 on the analysis of the achievement of the specific objectives and action directions set out in the Program for the implementation of the measures set out in the Risk Management Strategy, 2021-2025, at the level of Transgaz, period under review - 2021-2024"; - the 5-step risk tolerance limit for 2025 no. DSMC/12923/17.02.2025 was approved in the Board of Administration meeting held on 26 February 2025 by BoA Resolution 4/2025. - the 5-step risk tolerance limit for 2025 no. DSMC/12923/17.02.2025, circulated by Letter DSMC/20304/11.03.2025 and published in the public area: https://portal.intranet.transgaz.ro/zo_napublica/scim/Managementul%20riscurilor/06.%20Limita%20de%20toleranta/8.%20Limita%20de%20toleranta%20C8%9B%C4%83%20%202025%20Transgaz.pdf 	100%

				<p><u>- The Risk Appetite Statement for 2025 at SNTGN Transgaz SA was approved at the Board of Administration meeting held on 26 February 2025 through BoA Resolution no. 4/2025.</u></p> <p><u>- The Declaration - Commitment of the Director - General on Risk Management, 2021-2025 did not require revision.</u></p>
	12.2	Systematic analysis of risks associated with operational objectives at the level of organisational structures.	<p>Achieved</p> <p>In accordance with the letter No. DSMC/20304/11.03.2025 all organizational structures have posted in the dedicated area:</p> <ul style="list-style-type: none">- the list of operational objectives, activities and risks, year 2025;- The Risk Registers at service and departmental level, year 2025;- The plans of measures to minimize risks at service, departmental level, year 2025; <p>According to Letter No. DSMC/99965/28.11.2024 all organizational structures have posted the revised Risk Registers, December 2024, and Risk Management Report, year 2024 at the level of the divisions, independent units, independent departments and offices, regional offices, the Medias Subsidiary.</p>	
	12.3	Implementation of risk management policy, procedures and legal requirements and monitoring their application at company level.	<p>Achieved</p> <ul style="list-style-type: none">- Company-wide Risk Register, 2024, No. DSMC/20439/ 31.12.2024, REVISED December 2024;-Company-wide Risk Register, year 2025, no. DSMC/17235/03.03.2025, approved by Board of Administration Resolution 11/28.04.2025 (Report no. DSMC /32284 /14.04.2025);-Risk Minimization Measures Plan, at company level, year 2025, no. DSMC/17233/03.03.2025, approved by Board of Administration Resolution 11/28.04.2025 (Report no. DSMC /32284 /14.04.2025);;- Report to the Director -General on risk management and monitoring, within SNTGN Transgaz SA, for the year 2024, by Letter no. 28018/02.04.2025;- The Board of Administration acknowledged Report no. DG/31901/14.04.2025 on risk management and monitoring within SNTGN Transgaz SA, 2024, by BoA Resolution 11/28.04.2024;	

					- the risk profile, December 2024 No DSMC/12923/ 17.02.2025 approved by Board of Administration Resolution 4/26.02.2025.	
13	Timely reporting of the performance indicators	Compliance with the legal deadlines for reporting I = actual reporting deadlines/reporting deadlines provided *100	13.1	Calendar for Financial communication to BVB	Achieved (see the company's website)	100%
			13.2	Report on the status of implementation of the 10-Year Development Plan of the National Gas Transmission System	Achieved Letter DSMC/18731/5.03.2025 ANRE entry number/28264/ 5.03.2025	
			13.3	Internal/management control system reporting	Achieved It was sent to the General Secretariat of the Government by Letter no. DSMC/ 5899/27.01.2025 , entry no. GSG 2246/28.01.2025; - Centralized Progress Report on the implementation and development of the internal/management control system in SNTGN Transgaz SA on 31 December 2024 no. 5899/27.01.2025; -Report on the internal/managerial control system as at 31 December 2024, no. 5899/27.01.2025	
			13.4	Reporting related to the achievement of the performance indicators of the gas transmission service	Achieved Letter 97388/19.11.2024 ANRE report for gas year 2023-2024 It is reported annually (in November)	
			13.5	Reporting form S1100 on the monitoring of the application of the provisions of GEO 109/2011	Achieved - Letter no. 520/08.01.2025 H I100 reporting for H II 2024;	
14	2021-2025 NAS implementation	Implementation of the measures established in the NAS I = measures achieved within the deadline /proposed measures *100	14.1	Achievement of the objectives under the Integrity Plan for the implementation of the Anti-Corruption Strategy 2021-2025	Achieved The measures foreseen in the Integrity Plan for the implementation of the National Anti-Corruption Strategy 2021-2025, for 2025, were realized: - elaboration, submission to the GSG (The General Secretariat of the Government) and publication on the Intranet page of the Report on the status of implementation of the measures envisaged in the SNA 2021-2025 for 2024, at the level of S.N.T.G.N. Transgaz S.A.;	100% It is monitored annually

					<p>-preparation, submission to the General Secretariat of the Government and publication on the Intranet page of Transgaz' Integrity Incident Assessment Report for 2025,</p> <p>- preparation, submission to A.N.I. and publication on the Intranet page of the Report on the application of Law no. 361/2022 on the protection of the public interest warnings in 2024, at SNTGN Transgaz SA level;</p>	
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Note: *Given that during the period under scrutiny for the performance indicators of the gas transmission service marked * no requests/notifications/complaints are registered, it results that the indicators are met according to the requirements under the Performance Standard, but the degree of achievement of these indicators cannot be determined by mathematical calculation.*