SNTGN TRANSGAZ SA MEDIAŞ

ANNEXES TO THE REPORT ISSUED BY THE BOARD OF ADMINISTRATORS FOR SEMESTER I 2015

ANNEX 1 - CORPORATE GOVERNANCE
ANNEX 2 - HSSEQ

ANNEX 1 - CORPORATE GOVERNANCE

Information on the Statutory, Administrative and Executive Management of the Company

Information on the Statutory Management of the Company (General Meeting of Shareholders)

The interests of the State within the General Meeting of Shareholders of Transgaz, with the entry into force of the Government Emergency Ordinance no. 86 of 17.12.2014, have been represented by the Ministry of Economy, Trade and Tourism.

The State Representatives in the General Meeting of Shareholders shall be appointed and revoked by the order of the Minister of Economy, Trade and Tourism.. Their voting rights in the General Meeting of Shareholders shall be exercised under a special mandate granted by order of the Minister of Economy, Trade and Tourism.

After the acceptance of transacted Transgaz shares on a regulated market, shareholders, others than the State, may be represented in the General Meeting of Shareholders by other people than the shareholders themselves, except Transgaz Managers and employees, based on a special or general power of attorney, according to the regulations of the Romanian National Securities Commission (CNVM).
The General Meeting of Shareholders of Transgaz is the governing body which decides on the Company's activity and on its economic policy. The General Meetings of Shareholders are ordinary and extraordinary.

The Ordinary General Meeting of Shareholders has the following main duties:
- to approve the proposals regarding the global strategy of development, technological upgrading, modernization, economic-financial restructuring of the Company;
- to approve the management plan prepared by the Transgaz SA Board of Administration;
- to elect and revoke administrators, according to the applicable laws;
- to appoint and revoke the Chairman of the Board of Administration of Transgaz;
- to establish the election criteria of board members when two or more nominated persons obtain the same number of votes, expressed by the same number of shareholders;
- to approve the income and expenditure budget and the activity plan for the following financial year;
- to establish the level of remuneration for the members of the Board of Administration and the limits stipulated by law; to approve the mandate contract concluded with the members of the Board of Administration and the Chief Executive Officer;
- to discuss, approve or amend the annual financial statements based on the reports of the administrators and of the financial auditors and to determine the dividend;
- to approve the distribution of profit according to the law;

- to analyse the reports of the Board of Administration on the status and perspectives relating to profit and dividends, position on the internal and international market, technical level, quality, workforce, environmental protection, relations with the customers;
- to decide in relation to the administrators` management;
- to decide in relation to the pledging, lease or closing of one or several units of the Company;
- to approve the rules of organization and operation of the Board of Administration;
- to appoint and dismiss the financial auditor and to set the minimum length of the financial audit contract;
- to perform any other duties devolving upon it according to the applicable laws.

The Extraordinary General Meeting of Shareholders gathers in order to decide as follows:

- to change the legal form of Transgaz;
- to relocate the company's head office;
- to change the field or/and the company's main object of activity;
- to increase the share capital or reduce it or integrate it by issuing new shares according to the law;
- to merge with other companies, or to split Transgaz;
- to prematurely dissolve the company;
- to issue new bonds;
- to alter the number of shares or their nominal value;
- to decide on the establishment or closing down of secondary units: branches, agencies or other such units without legal personality of TRANSGAZ S.A., with the exception of working points - NTS structures, participation in the establishment of new legal entities, their merger, division or dissolution or in the association with other legal or natural persons from the country or abroad;
- to extent the company's existence;
- to convert shares from one category into another;
- to approve acts of acquisition, transfer, exchange or warranty of certain assets classified as fixed assets of the Company, whose value exceeds, individually or cumulatively during a financial year, 20% of total fixed assets, without debts, concluded by the administrators or manager of the company;
- to convert a category of bonds into another category or in shares;
- to priorly approve leases of tangible assets for a period of more than one year, whose individual or cumulated value compared with the same counterparty or persons involved or acting in concert, exceeds 20% of total fixed assets without debts, on the date of conclusion of the legal document, as well as associations for a period exceeding one year;
- to approve the currency in which the securities admitted or to be admitted for trading on a regulated market are to be issued;
- any other amendment in the Memorandum of Association or any other decision for which the approval of the Extraordinary General Meeting of Shareholders is required.

The General Meeting of Shareholders may authorize the Board of Administration to exercise the following attributions: to relocate the company's head office, to change the secondary field of activity, and to increase the share capital.

The General Meeting of Shareholders is convened by decision of the Board of Administration, whenever necessary, according to the legal provisions in force and the provisions of the Memorandum of Association of Transgaz, as updated.

Convening the General Meeting of Shareholders

The General Meeting of Shareholders is convened by decision of the Board of Administration whenever necessary.

The Ordinary General Meeting of Shareholders shall gather at least once a year, within 5 months of the conclusion of the financial year.

The General Meeting of Shareholders shall be convened, whenever necessary, in accordance with the legal provisions in force and the provisions of the Memorandum of Association.

The Board of Administration shall convene the General Meeting immediately at the request of shareholders representing, individually or together, at least 5% of the share capital, if the application contains provisions pertaining to the competence of the General Meeting.

Convocation - term, content, time reference

The convening notice shall be published in *the Official Gazette of Romania,* Part IV and in a widespread national newspaper, as well as on TRANSGAZ S.A. website at least 30 days prior to the meeting and shall include the following: *company name; the date of the general meeting; starting time of the general meeting; location of the general meeting; reference date, and indicating that only those who are shareholders on that date are entitled to attend and vote at the general meeting; the agenda; a clear and precise description of the procedures which the shareholders must comply with in order to participate and vote at the general meeting; deadline by which proposals can be made on candidates for the position of administrator, when the election of the administrators is on the agenda; method in which documents and information regarding the issues on the general meeting's agenda are distributed, the date when they will be available and the website address where they are to be available; method to obtain the special power of attorney form for representation in the general meeting of shareholders; method to obtain the form for voting by correspondence; deadline and location for submitting/receiving powers of attorney (general and special) and voting by correspondence forms; proposal on the date of registration; day and time for the next general meeting, when the former could not be kept.*

The General Meeting of Shareholders shall gather at the headquarters of TRANSGAZ S.A. or other place indicated in the notice.

When the agenda includes proposals for the amendment of the Memorandum of Association, the notice shall contain the full text of the proposals.

The reference date shall be set with maximum 30 days before the date of the general meeting to which it applies, so that between the deadline allowed for the convocation of the general meeting and the date of reference there must be at least 8 days. Concurrently the date of reference should be prior to the deadline by which special powers of attorney may be submitted/sent to the company. Between the allowed deadline for the second or subsequent convocation of the general meeting and the date of reference there should be at least 6days."

Information materials and participation

The Board of Administration shall provide to the interested shareholders the documents to be debated and approved by the General Meeting of Shareholders, the forms for the special powers of attorney, the general powers of attorney and the forms of vote by correspondence forms and materials containing information relating to each topic on the agenda.

The documents, information materials, special powers of attorney and forms to be used for the vote by correspondence regarding the issues on the agenda shall be provided to the shareholders, at least 30 days before the date of the General Meeting, unless the law provides otherwise.

The documents, information materials, special powers of attorney and forms for the vote by correspondence will be made available to shareholders on the TRANSGAZ S.A. website or at its headquarters and in other locations as may be established by the Board of Administration and specified in the convocation notice.

Upon request, these documentation and materials shall be provided to shareholders against a fee. The fees required from the shareholders who request the issuing of copies of documents referred to in the preceding paragraph shall not exceed the cost of multiplication.

The special power of attorney and the form for voting by correspondence shall be valid only for the General Meeting of Shareholders for which they were requested, and the special power of attorney form shall have the content required by law and shall be made available to the interested shareholders in 3 copies, which shall have the following destinations: one for the shareholder, one for the representative and one for the issuer.

Organisation of the General Meeting of Shareholders

Quorum and voting majority

The Ordinary General Meeting of Shareholders is validly assembled and may take decisions, if upon the first call, shareholders holding at least a half of the share capital are present and, upon the second call, any part of the share capital represented by the present shareholders. If the Ordinary General Meeting of Shareholders is validly assembled, the decisions are approved with a majority of votes held (half plus one).
The Extraordinary General Meeting of Shareholders is validly assembled and may take decisions, if upon the first call, shareholders holding at least a ¾ (three quarters) of the

share capital are present and, upon the second call, they hold at least half of the share capital.

If the Extraordinary General Meeting is validly assembled, the decisions will be approved by a majority of the votes held by the present or represented shareholders, but no less than the votes of the shareholders representing half of the share capital upon the first call or one third of the share capital upon the second call.

Shall be exempted from the provisions of the preceding paragraph the decision regarding the change of the main object of activity of TRANSGAZ S.A., the reduction or increase of the share capital, the change of the legal form, mergers, division or dissolution for which decision are taken by a majority of at least 2/3 of the voting rights held by shareholders present or represented. If, for the validity of a General Meeting Decision, there are compulsory legal provisions which regulate a quorum or majority of votes other than those provided in the Memorandum of Association, those legal provisions shall be applied accordingly.

Proceedings

On the day and at the time indicated in the convocation notice, the General Meeting of Shareholders session shall be opened by the Chairman of the Board of Administration or, in his absence, by its replacement.

The General Meeting shall elect, from the present shareholders, 1 to 3 Secretaries, who shall check the shareholders' list of attendance, indicating the social capital represented by each of them, the minutes drawn up by the Technical Secretary for the establishment of the number of submitted shares and the fulfilment of all the formalities required by law and the Memorandum of Association for the General Meeting to take place.

Minutes

The minutes of the General Meeting of Shareholders shall be signed by the Chairman of the Board of Administration and by the Meeting Secretary who has drafted it.
The minutes of the General Meeting of Shareholders shall be registered in a sealed and initialled register.
To each minute, the documents regarding the convocation, the attendance lists of shareholders, and if applicable, the special mandate of the representative of the Ministry of Economy, Trade and Tourism shall be annexed.
At the ordinary and extraordinary sessions of the General Meeting of Shareholders, in which the issues relating to the employment relationships with the TRANSGAZ S.A. staff are discussed, the employees' representatives shall be invited but they shall not have the right to vote.

Exercise of the right to vote at the General Meetings of Shareholders

The decisions of the General Meetings of Shareholders are taken by public vote, unless the law provides otherwise.
The shareholders may vote in the General Meeting of Shareholders in person, by representative, mail or electronic means. In the case of voting by representation, the

power of attorney may be submitted at the company's headquarters, in original, with 24 hours prior to the meeting or can be communicated electronically, having the electronic signature incorporated, attached to or logically associated.
If the agenda of the General Meeting of Shareholders contains resolutions which call for a secret vote, the mail vote shall be expressed by means which do not allow it to be exposed except to the members of the secretariat which is tasked with counting the secret votes expressed and only when the other secret votes expressed by the present shareholders or the representatives of the shareholders participating at the meeting, are known.
Each Shareholder present at the Meeting receives a voting ballot which bears the stamp of TRANSGAZ S.A. and on which all the items on the agenda are drafted, as well as the options "for", "against" or "abstention".
The person who represents several shareholders based on the special powers of attorney expresses the votes of the persons represented by the total number of votes "for", "against" or "abstention" without offset. Such votes are validated based on the third copy of the special powers of attorney, by the Secretariat of the General Meeting.

To be relied on as against third parties, the decisions of the General Meeting of Shareholders shall be submitted within 15 days at the Trade Register Office, to be mentioned in the excerpt, in the Register and published *in the Official Gazette of Romania*, Part IV.

The decisions made by the General Meeting of Shareholders within the limits of the law and of the Memorandum of Association are mandatory even for the shareholders who did not participate to the meeting or voted against.

The shareholders who have not voted in favour of a decision taken by the General Meeting of Shareholders regarding the change of the main object of activity, the relocation of TRANSGAZ S.A. headquarters abroad, the change of the legal form of TRANSGAZ S.A. or regarding the merger or division of TRANSGAZ S.A. shall be entitled to withdraw from the company under the conditions provided by law.

Shareholders who own more than 5% of the shares are forbidden to exercise the rights arising from the status of shareholder stipulated in article 128, paragraph (2), letter i) and ii) of the Law on electricity and natural gas No. 123/2012 if they exercise a right of control, on a company with the activity of production or supply of electricity and/or natural gas.The interdiction applies to the shareholder/shareholders until the end of the incompatibility status resulting from failure to comply with the requirements provided for in article 128 of the Law of electricity and natural gas No. 123/2012.

List of members of the General Meeting of Shareholders:

On 25.03.2015, the following State representatives in the General Meeting of Shareholders of Transgaz were appointed by the Order of the Minister of Economy, Trade and Tourism:

Smeeianu Ion	State Representative, appointed by Order No. 353 of 25.03.2015
Pană Alexandra Cerasela	State Representative, appointed by Order No. 353 of 25.03.2015

Information on the administrative management (Board of Administration)

Management system

Transgaz has a one-tier management system and it is managed by a Board of Administration. The Board of Administration has general competence for carrying out all actions necessary for successfully fulfilling the company's object, except for the matters falling within the competence of the General Meeting of Shareholders, according to the provisions of the Memorandum of Association, as updated on 28.04.2015 or to the applicable laws.

Transgaz management is performed by a Board of Administration, consisting of the majority of non-executive and independent managers, as stipulated in Art. 138^2 of Law No. 31/1990, republished, with subsequent amendments and completions.

The Board of Administration is made up of 5 members who guarantee the efficiency of the capacity of supervision, analysis and assessment of the company's activity and the fair treatment of shareholders. The members of the Board of Administration are elected by the General Meeting of Shareholders for a 4-year term of office, and, provided they appropriately fulfil their attributions, their mandate may be renewed, or they can be revoked by the Ordinary General Meeting of Shareholders if they fail to reach their main objectives.

The members of the Board of Administration may be shareholders. The Board of Administration of Transgaz is chaired by a Chairman appointed by the General Meeting of Shareholders, from the members of the Board of Administration, who ensures the optimal operation of the company's bodies. The members of the Board of Administration will attend all General Meetings of Shareholders and will wittingly exercise their mandate, in good faith for the benefit of the company, with due diligence and care, without disclosing the company's confidential information and trade secrets, both during the term of office and after its end.

Upon the request of a significant shareholder, the election of members of the Board of Administration of TRANSGAZ S.A. shall be expressly made through the cumulative voting method. For the purposes of this paragraph, a significant shareholder means a natural person, legal person or group of persons acting in concert and holding directly or indirectly a participation of at least 10% of the share capital of TRANSGAZ S.A. or of the voting rights, or a participation that enables the exercise of a significant influence over the decision-making process in the General Meeting or the Board of Administration of TRANSGAZ S.A. according to the case.

The Memorandum of Association of Transgaz, as updated on 28.04.2015 and approved by the Extraordinary General Meeting of Shareholders by Resolution no. 2/28.04.2015, regulates the duties, responsibilities and powers of the Board of Directors and the obligations of the company's directors.

In the event of a vacancy in the Board of Administration, the election of a new member shall be performed as provided by law. The duration for which the new director is elected to occupy the vacant place shall be equal to the period remaining until the expiry of the term of his predecessor.

Role and Obligations of the Board of Administrators

Transgaz is managed by a Board of Administration that gathers at the company's head office or at any other location it establishes, whenever necessary, but at least once every three months, upon the call of the Chairman of the Board, following the request of two members of the board or by the Chief Executive Officer.

***Convocation of the Board of* Administrators**

The Meetings of the Board of Administration shall be convened as follows: *by the Chairman of the Board of Administrators whenever necessary, but at least once every three months; by two members of the Board of* Administration *or by the Chief Executive Officer.*

The convocation notice for the meeting of the Board of Administrators shall be forwarded to the Administrators in good time before the date of the meeting; the time limit may be established by decision of the Board of Administrators.

The convocation notice shall be sent to all Administrators under the provisions of the Memorandum of Association in force.

The convening of the meeting of the Board of Administrators will be sent to each Administrators in writing, by fax or via e-mail or through other allowed legal means of communication to the address and fax number of the said Administrators. Each Administrators shall have the obligation to notify the company in writing, by fax, e-mail or through other allowed legal means of communication regarding change of address and/or fax number, as applicable, and will not be able to oppose to the company the change of the address and/or fax number, if they have not been communicated in writing by the Administrators.

The notice concerning the meeting of the Board of Administrators shall mention the date and time of the meeting, as well as the fact that meeting will be held at the headquarters of the company (except when the Administrators decide to hold the meeting elsewhere, in which case the address will be included).

The meetings of the Board of Administrators may be also held through electronic means of communication (including by telephone conference or video-conferences). The notice of Board's meeting will also contain the agenda.

Decisions regarding topics which are not listed on the agenda can be made only in cases of emergency. The Chairman shall decide on the urgency of the matters.

Meetings of the Board of Administrators

The Board of Administration operates under its own rules and legal regulations in force.

The Board of Administration is chaired by the Chairman. If the Chairman is temporarily unable to perform its duties, during the said period of time, the Board of Administration may assign another Director to perform as Chairman.

The Chairman appoints a secretary from the members of the Board of Administration or outside of it.

The Board meetings may be held by telephone or video conference or other means of communication by which all persons participating in the meeting can hear each other, and the participation in such a meeting shall be deemed as a participation in person for the purpose of fulfilling the quorum and voting requirements.

Decision-making

For the validity of the decisions of the Board of Administration, the presence of three members from the total number is required; the decisions are taken by the majority of the members present or represented by mandate.

Minutes

The Board's proceedings take place, according to the agenda established and communicated by the Chairman, at least 7 days before the date of the meeting. The proceedings shall be recorded in the minutes of the meeting, which shall be registered in a record sealed and initialled by the Chairman of the Board of Administration.

Each meeting shall have its own minute, which shall include the names of the participants, the order of deliberations, the decisions taken, the number of votes and separate opinions. The minutes shall be signed by the Chairman of the meeting and by at least one other Administrator. Based on the minutes, the Secretary of the Board of Administration shall draw its resolution, signed by the Chairman.

Delegation

The Board of Administration shall delegate the company's management to the Chief Executive Officer of SNTGN "Transgaz" S.A., which is not the Chairman of the Board. The Chief Executive Officer of SNTGN "Transgaz" S.A. represents the company in the relations with third parties.

Information obligations

The Board of Administration has to provide to the financial auditors the documents of TRANSGAZ S.A. and the activity reports according to the law.

The Board of Administration shall inform within the first General Meeting of Shareholders following the conclusion of the legal act on: - any transaction with the administrators or managers, employees, shareholders controlling the company or with a company controlled by them; - the transactions concluded with the spouse, relatives or in-laws up to the fourth degree, including the persons referred to above; - any transaction concluded between TRANSGAZ S.A. with another public enterprise or tutelary public authority, if the transaction has a value, individually or in a series of transactions, of at least the RON equivalent of EUR 100,000.

The Board of Administration has to provide to the General Meeting of Shareholders and the financial auditors the documents of TRANSGAZ S.A. and the activity reports according to the law.

Liability of the Administrators

The liability of administrators shall be governed by the laws relating to the mandate and the special provisions of the Companies Act no. 31/1990, republished, with the subsequent amendments and supplements.

Incompatibilities

Are incompatible with the membership in the Board of Administration the persons referred to in the Companies Act no. 31/1990, republished, with the subsequent amendments and supplements.

The person who is incompatible with the Director status cannot be the Chief Executive Officer of TRANSGAZ S.A., according to the Companies Act no. 31/1990, republished, with the subsequent amendments and supplements.

The Role of the Board of Administration, Chief Executive Officer and Executives

The Role of the Board of Administration

The main powers of the Board of Administration are the following:

- to set the main activity and development plans of the company;
- to develop the management plan which includes the management strategy for the mandate period to achieve the objectives and performance criteria established by the mandate contracts;
- to approve the internal regulations on the organization and operation of the advisory committees established at the level of the Board of Administration and their structure;
- to establish the accounting policies and the financial control system and to approve

the financial planning;
- to approve the organizational structure and rules of organization and operation of TRANSGAZ;
- to appoint and revoke the Chief Executive Officer of Transgaz and establish his/her remuneration;
- to approve the management plan for the mandate period and for the first year in office of the Chief Executive Officer of TRANSGAZ SA;
- to supervise the activity of the Chief Executive Officer;
- to draw up the annual report, organize the General Meetings of Shareholders, and implements its decisions;
- to file the request for opening the insolvency procedure of TRANSGAZ S.A., according to the legal regulations in force;
- to approve the level of guarantees for the persons who have the capacity of managers;
- to conclude legal documents to acquire, alienate, lease, change or pledge assets held by TRANSGAZ S.A., with the approval of the General Meeting of Shareholders when the law provides so;
- to approve the powers of the branches according to business fields (economic, commercial, technical, administrative, financial, legal etc.) in order to fulfil the object of activity of TRANSGAZ S.A.;
- to approve the change in the secondary object of activity of SNTGN „Transgaz" S.A;
- to approve the setup/closing of working points – facilities belonging to the National Gas Transmission System (NTS);
- to approve the conclusion of any contracts for which it has not granted powers to the Chief Executive Officer of TRANSGAZ S.A.;
- to annually submit to the General Meeting of Shareholders, after the end of the financial year, the report regarding the activity of TRANSGAZ S.A., the balance sheet and the profit and loss account for the previous year;
- to submit to the General Meeting of Shareholders the activity plan and the income and expenditure budget project for the following year;
- to convene the General Meeting of Shareholders whenever needed;
- to establish the rights, obligations and responsibilities of TRANSGAZ S.A. personnel, according to the approved organizational structure;
- to decide on bank loans, including foreign ones; to establish the powers and level of borrowing from the domestic and foreign markets of commercial loans and guarantees, including by pledging shares afferent to shareholdings in other companies according to the law; to approve the release of securities;
- to approve the number of jobs and the normative documents for creation of the functional and production departments;
- to approve the production, research, development and investment programs;
- to approve policies for environmental protection and occupational safety, according to the legal regulations in force;
- to approve, within the limit of the income and expenditure budget approved by the General Meeting of Shareholders, alterations in its structure, within the limits of the powers granted to it;
- to negotiate the collective labour agreement by mandating the Chief Executive

Officer and approve the personnel's statute;
- to ensure and be liable for the fulfilment of any other tasks and duties established by the General Meeting of Shareholders or stipulated by the legislation in force;
- to make any other decisions regarding the company's activity, except for those who pertain to the General Meeting of Shareholders.

The structure of the Board of Administration of Transgaz ensures a balance between the executive and non-executive members, so that no individual or small group of individuals can dominate the decision-making process of the Board of Administration.

The decision-making process within the company will remain the collective responsibility of the Board of Administration, which will be held jointly and severally liable for all decisions it made in the exercise of its powers. The independent administrators' renunciation to their mandate shall be accompanied by a detailed statement regarding the reasons for such renunciation.

The members of the Board of Administration shall continually update their competences and improve their knowledge regarding the company's activity and best practices of corporate governance in order to fulfil their role.

Appointment and remuneration of the Members of the Board of Administration

Following the approval of the new structure of the Advisory Committees through the Decision of the Board of Administration no. 7 of 27.05.2013, the *Nomination and Remuneration Committee* has been set up in the Board of Administration of SNTGN "Transgaz" SA which coordinates the process of appointment of the members of the Board of Administration, makes recommendations regarding both the position of director and the filling of vacancies thereof, creates the remuneration policy for administrators and managers, submits this remuneration policy to the General Meeting of Shareholders for approval, according to the Government Emergency Ordinance 109/2011 regarding the corporate governance in public enterprises.

The Committee shall submit proposals to the Board of Administration regarding the remuneration of the administrators and managers, making sure that these proposals are consistent with the remuneration policy adopted by the company.

The remuneration of the Board of Administration members is made of a fixed monthly allowance and a variable component based on the existing performance indicators.

The remuneration and the other advantages granted to managers and administrators are written down in the annual financial statements and in the annual report of the nomination and remuneration committee.

Financial Reporting

The Transgaz Board of Administration established initially an Audit Committee. However, following the approval of the new structure of the Advisory Committees by the Board of Administration Decision No. 7 of 27.05.2013, the *Audit and Rating Committee* was established to regularly assess the compliance of financial statements, of internal control and of the risk management system and company's rating.

The members of the committee assist and make recommendations to the Board of Administration regarding the establishment of the accounting and financial control system and the budget and financial planning.

The Committee, , at the same time verifies the compliance of the drawn up audit reports with the audit plan approved within the company. The Committee offers support to the the Board of Administration in monitoring the credibility and completeness of the financial information provided by the company, particularly by reviewing the relevance and consistency of the accounting standards it has applied.

The Committee cooperates with the company's external financial auditor which provides a report describing all the relationships existing between the latter, on the one hand, and the company and the group to which it belongs, on the other hand.

The Audit and Rating Committee monitors the independence and objectiveness of the financial auditor, in particular by monitoring the rotation of the partners assigned to the company within the audit firm and makes recommendations to the Board of Directors regarding the selection, appointment, re-appointment, replacement of the financial auditor and terms and conditions of the remuneration thereof.

Conflict of Interests

The members of the Board of Administration shall make decisions in the sole interest of the company and shall not take part in the proceedings or decisions that create a conflict between their personal interests and those of the company or of subsidiaries controlled by it.

Transactions with stakeholders

Each member of the Board of Directors shall make sure that any direct or indirect conflict of interest with the company or a subsidiary controlled by it is avoided, and in the event such a conflict occurs, such member will abstain from debating and voting in respect of the concerned matters, in accordance with the legal provisions in force.

In order to ensure the procedural fairness of the transactions with stakeholders, the members of the Board of Administration use, but without limitation to them, the following criteria:

- maintaining the authority of the Board of Administration or of General Meeting of Shareholders, as the case may be, to approve the most important transactions;

- requesting a prior opinion on the most important transactions from the internal control structures;
- entrusting the negotiations of these transactions to one or several independent administrators or to the administrators who are not related with the concerned stakeholders;
- resorting to independent experts.

Advisory Committees Established at the Level of the Board of Administration

As of 27.05.2013 by the Decision of the Board of Administration No. 7 of 05.27.2013, the new structure of the Consultative Committees established at the level of the Board of Administration of SNTGN Transgaz SA are approved, as follows:

- Nomination and Remuneration Committee;
- Audit and Rating Committee;
- NTS Safety and Security Committee;
- Strategy and Development Committee;
- Regulatory and Public Authorities Relations Committee.

The template of the **Internal Rules on the organization and operation of the advisory committees established at the level of the Board of Administration,** the updated form, may be found on the company's own web page, in the section ***Management/Board of Administration.***

The lists of duties of the five advisory committees established within the Board of Administration:

ADVISORY COMMITTEE	MENTIONS	POWERS
NOMINATION AND REMUNERATION COMMITTEE	shall be composed of minimum two members of the Board of Administration; shall be made of non-executive administrators, and at least one of the members of the committee shall be a non-executive independent director; the duties of this committee are established by the Corporate Governance Code.	▪ to coordinate the process of appointment of the members of the Board of Administration; ▪ to make recommendations regarding both the position of director, and the filling of vacancies within the Board of Administration; ▪ to assess the accrual of professional competences, knowledge and experience within the Board of Administration; ▪ to establish the requirements for filling a certain position in the company's management; ▪ to apply the best practices of corporate governance by improving knowledge regarding the company's business and permanently updating the professional skills of the members of the Board of Administration; ▪ to draw up the remuneration policy for administrators and managers; ▪ to submit for approval of the General

		Meeting of Shareholders this remuneration policy; ▪ to inform about the remuneration policy in the Articles of Incorporation/Corporate Governance Rules of the company; ▪ to present in the Annual Report the total amount of direct and indirect remuneration of the administrators and managers, separated by fixed and variable components of such remuneration; ▪ in establishing the remuneration of the non-executive administrators, to comply with the principle of proportionality of such remuneration with the responsibility and time dedicated to the exercise of their roles; ▪ to draw up an annual report regarding the remuneration and other benefits granted to administrators and managers during the financial year, report which shall be submitted to the General Meeting of Shareholders and contain the information stipulated in article 55 paragraph (3) of the Government Emergency Ordinance No. 109/2011 regarding the corporate governance of public enterprises; ▪ if necessary, it may resort to assistance from external experts to fulfil the required duties.
AUDIT AND RATING COMMITTEE	shall be composed of minimum two members of the Board of Administration; shall be made of non-executive administrators, and at least one of the members of the committee shall be a non-executive independent director; will meet whenever necessary, but at least twice a year (at the end of the first semester and at the end of the year); the duties of this committee are established by the Corporate Governance Code.	▪ to assist and submit recommendations to the Board of Administration in order to establish the accounting and financial control system, the budget-financial planning; ▪ to assist the Board of Administration in fulfilling its duties in the field of financial reporting, internal control, risk management and Company's rating; ▪ to regularly examine the effectiveness of the financial reporting, internal control and risk management system adopted by the company; ▪ to meet whenever necessary, but at least twice a year when the annual and half-yearly results are drawn up, to ensure their dissemination to the shareholders and the general public; ▪ to verify the compliance of the audit reports drawn up with the audit plan approved at company level; ▪ to support the Board of Administration in monitoring the credibility and completeness of the financial

		information provided by the company, especially by reviewing the relevance and consistency of the accounting standards it has applied; ▪ to cooperate with the company's external financial auditor which provides a report describing all the relationships existing between the latter, on the one hand, and the company and the group to which it belongs, on the other hand; ▪ to make recommendations to the Board of Administration regarding the selection, appointment, re-appointment, replacement of the financial auditor and the terms and conditions of its remuneration; ▪ to monitor the independence and fairness of the financial auditor in particular by monitoring the rotation of the partners dedicated to the Issuer within the audit firm; ▪ to perform the duties stipulated in article 47 of the Government Emergency Ordinance No. 90/2008 as amended by law No. 278/2008, in accordance with article 34 paragraph (3) of Government Emergency Ordinance No. 109/2011.
NTS SAFETY AND SECURITY COMMITTEE	shall be composed of minimum two members of the Board of Administration; at least one committee member must be an independent non-executive director; the duties of this committee are established by the Corporate Governance Code.	▪ to regularly analyse the list of critical infrastructure objectives of Transgaz and the established security measures; ▪ to ensure the conditions needed to implement the protection measures of all the critical infrastructure objectives of the company or under the authority/coordination of the company; ▪ to monitor/update its own programs for prevention and fight against terrorism through optimal measures of physical and organizational protection, making recommendations in this respect to the Board of Administration; ▪ to monitor the performance of the programs of maintenance and upgrading of the NTS, as well as the compliance with the technical normative documents of operation and maintenance of the production capacities.
STRATEGY AND DEVELOPMENT COMMITTEE	shall be composed of minimum two members of the Board of Administration; at least one committee member	▪ to assist the Board of Administration in fulfilling its responsibilities regarding the elaboration and update of the Company's general development strategy; ▪ to analyse the identified business

	must be an independent non-executive director; the duties of this committee are established by the Corporate Governance Code.	development opportunities, and make related recommendations to the Board of Administration; ▪ to analyse and assist the Board of Administration with regard to the Company's development and international cooperation guidelines; ▪ to monitor and analyse the fulfilment of strategic and action plans / programmes regarding the obligations of Transgaz as technical operator of NTS and stock exchange issuer; ▪ to develop proposals regarding the improving and making the strategic, development and collaboration activity more efficient; ▪ to submit recommendations to the Board of Administration regarding the efficient operationality of strategic and action plans/ programmes; ▪ to monitor and analyse the fulfilment of the performance indicators of the transport and economic-financial performance system of the company's activity.
REGULATORY AND PUBLIC AUTHORITIES RELATIONS COMMITTEE	shall be composed of minimum two members of the Board of Administration; the duties of this committee are established by the Corporate Governance Code.	▪ to assist the Board of Administration in analysing the company's regulatory activity and legal obligations in this field; ▪ to monitor the company's observance of the obligations stipulated in the regulations referring to the pursued activity; ▪ to analyse and provide the Board of Administration with proposals regarding the regulatory framework; ▪ to monitor the collaboration relations with public authorities, and assist the Board of Administration in establishing and managing the collaboration policy.

Name of the Committee	Members of the Committee
Nomination and Remuneration Advisory Committee	**Sterian Ion** **Cernov Radu Ştefan** **Iliescu Bogdan George**
Strategy and Development Advisory Committee	**Sterian Ion** **Văduva Petru Ion** **Iliescu Bogdan George** **Rizoiu Andrei**
Regulatory and Public Authorities Relations Advisory Committee	**Sterian Ion** **Văduva Petru Ion** **Cernov Radu Ştefan**

NTS Safety and Security Advisory Committee	**Sterian Ion** **Văduva Petru Ion** **Rizoiu Andrei**
Audit and Rating Advisory Committee	**Cernov Radu Ştefan** **Iliescu Bogdan George** **Rizoiu Andrei**

Information regarding the Executive Management

The Board of Administration delegated the company's management to a manager, who is appointed Chief Executive Officer, who represents the company in relation to third parties, and to whom are subordinated two deputy chief executive officers and executive officers.

The Chief Executive Officer is appointed by the Board of Administration, on the recommendation of the Nomination and Remuneration Committee. He/she may be appointed from the administrators, thus becoming an executive administrator, or outside the board of administration.

The person who is incompatible with the Director status cannot be the Chief Executive Officer of Transgaz, according to Law no. 31/1990, regarding the trade companies, republished, with the subsequent amendments and supplements.

The Director elaborates and provides the board of Administration with a management plan for the mandate term and for the first year of mandate, including the management strategy to fulfil the objectives and performance criteria established in the mandate agreement.

The management plan must be correlated to and develop the management plan of the board of administration, and it shall be submitted for their approval.

The assessment of directors' activity by the board of administration shall be focused on both the execution of the mandate contract, and the management plan.

Responsibilities of the Chief Executive Officer

The Chief Executive Officer is appointed by the Board of Administration, from the members of the board or outside the board.

The Chief Executive Officer has mainly the following duties:

- to apply the strategy and development policies of TRANSGAZ S.A, as established by the Board of Administration;
- to develop and submit for approval to the Board of Administration the management plan for the period of the mandate and for the first year of the mandate;
- to employ, promote and dismiss the employed personnel, in accordance with the law;
- to appoint, suspend or revoke the appointment of executive officers and directors at the level of branches;
- to participate in the negotiation of the collective labour agreement, the negotiation and conclusion of which will be carried out in accordance with the law, within the powers given by the Board of Directors;
- to negotiate the individual labour agreements, in accordance with the law;
- to conclude legal documents, for and on behalf of TRANSGAZ S.A., within the limits set by the decisions of the Board of Directors;
- to establish the duties and responsibilities of TRANSGAZ S.A personnel;
- to approve the collection and payment operations, in accordance with the legal powers and the company's updated Memorandum of Association;
- to approve the operations of sale and purchase of goods, within the powers delegated by the Board of Directors;
- to give powers to the executive officers, the branch managers and to any other person for the exercise of any duties within their respective jurisdictions;
- to fulfil any other duties that they have been entrusted with by the board of directors.

The Chief Executive Officer submits to the board of directors, for approval, the transactions concluded with the directors or managers, with the employees and the shareholders which control Transgaz, or with a company controlled by these, if the transaction, individually or in a series of transactions, has a value of at least 50,000 Euro equivalent in lei.

Duties of Executive Officers

The executive officers and branch managers are appointed by the Chief Executive Officer and answer to him/her; they are employees of TRANSGAZ S.A., perform its operations and are liable both before it and before the Board of Directors for the fulfilment of their duties.

The duties of the executive officers and branch managers are set by the Rules of Organization and Operation of TRANSGAZ S.A.

The persons who are incompatible according to Companies Act no. 31/1990, republished, with subsequent amendments and supplements may not exercise the function of Executive Officers or branch managers.

The Decisions on the current activity and operation of Transgaz SA shall be taken only by the persons who are part of the management structure of the company, the

intervention of any other person or public entity in making these decisions being prohibited.

Rights of the Holders of Financial Instruments of the Issuer

All holders of financial instruments issued by Transgaz, of the same type and class of securities benefit from equal treatment, and the company shall permanently make efforts to achieve effective, active and permanent communication for the exercise of such rights in a fair manner.

All Transgaz shareholders shall be treated fairly. All issued shares give their holders equal rights; any amendment of the rights conferred by such shares shall be subject to the approval of the shareholders directly affected during the special meetings of the concerned holders.

Transgaz shall make all diligences to facilitate the participation of shareholders in the proceedings of the General Meetings of Shareholders, of the dialogue between the shareholders and the members of the Board of Directors and/or the management and full exercise of their rights. The participation of the shareholders to the proceedings of the General Meetings of Shareholders is fully encouraged, and for shareholders who cannot attend the meetings, the possibility of absentee vote is provided - based on a special power of attorney - or by mail.

The company created a special section, called *Investor Information,* on its own web site, where relevant information regarding the procedures for access and participation in the General Meeting of Shareholders (GMS), GMS convocations, supplements to the agenda of the GMS, Board of Directors answers to questions asked by shareholders, current reports, the company's financial statements, the exercise of the voting rights during GMS, materials on the GMS agenda, templates for special powers of attorney, financial calendar, corporate governance, etc. of the company are constantly updated and accessible, thus contributing to transparent and fair information of all the stakeholders.

At the same time, Transgaz set up a specialized organizational structure for the management of the capital market activity, namely the - *Service for Investors and Rating Agencies* - the activity of which is dedicated to the relationship with the investors and shareholders. The personnel of the service are constantly prepared/instructed/trained from a professional standpoint in respect of the matters concerning the company's relationship with its shareholders, the principles of corporate governance, management, customer relationship.

Transparency

Transgaz regularly and continually reports in respect of important events concerning the company, including, but without being limited to financial standing, performance, ownership and management, both to mass-media and on its own website (www.transgaz.ro).

The company prepares and distributes relevant regular and continuous information in accordance with the International Financial Reporting Standards (IFRS) and other

reporting standards, namely environmental, social and management standards (ESG – Environment, Social and Governance). Information is distributed both in Romanian and in English.
The company organizes meetings with financial analysts, brokers, market specialists and investors, on the occasion of the presentation of the financial statements, which are relevant materials for investment decisions.

Corporate Information Regime

The Board of Directors sets the corporate policy for information distribution, in compliance with the legislation in force and the company's Memorandum of Association, this policy guarantees equal access to information by shareholders, investors and significant shareholders and does not allow abuses regarding confidential information or information about "transactions with oneself".

Social Responsibility (CSR)

Corporate Social Responsibility is a matter of corporate governance, through which a number of socially responsible actions that can be quantified in terms of sustainability and durable performance, were initiated, at company level.

Against the current background of globalisation, sustainable development and competitiveness, companies are increasingly being assessed not only based on their economic performance, management quality and communication policy, but also on their contribution to the social life of the community they belong to.

In this respect, the EU developed a set of principles aimed at two dimensions of the relationship between company and community, the *internal dimension and the external dimension* and recommended companies to incorporate these principles into codes of conduct and to report with regard to the manner in which they applied them.

SNTGN TRANSGAZ SA Mediaş, consistent in its efforts of applying a responsible management in the process of completing is mission, is aware that sometimes financial support for a noble cause or an important goal is essential, and, therefore, through the social responsibility programmes and projects the company initiated, it became an active part of community life, proving its quality of "*good citizen*".

The key role TRANSGAZ plays in the Romanian and European energy field is naturally supplemented by its desire to support the real needs of all those who make an on-going contribution to the smooth operation of its business.

A component of TRANSGAZ strategy of sustainable development, *the social responsibility policy* is aimed at constantly increasing the company's degree of awareness in respect of employees, shareholders, partners, community and environment, as well as at increasing the efficiency of the impact of its social responsibility programmes.

The commitment the company management undertakes by its "*Policy Statement on the Quality-Environment Integrated Management System*" is solid proof that TRANSGAZ is aware of the importance of ensuring an organisational climate where all stakeholders: employees, shareholders, clients, suppliers, community and environment can interact efficiently and responsibly, both at an economic and social level.

The company's policy on social responsibility is based on a set of principles which define this interaction between the company, on the one hand, and employees, shareholders, partners, community and environment, on the other hand.

The priority areas where TRANSGAZ develops social responsibility programs are: *sports, community development (places of worship, schools, and kindergartens), education, art and culture, humanitarian actions, health (hospitals), environment.*

SPORTS
We are among those who believe that sport has the power to ensure harmony between body and mind!
COMMUNITY DEVELOPMENT
We are where needed!
EDUCATION
We believe in the potential of young generation and therefore we invest in its education!
ART AND CULTURE
Culture means perfect and equal human development in all respects, and we are with those who want that!
HUMANITARIAN ACTIONS

TRANSGAZ is always close to those who need real help!
HEALTH
We take care of your health as if it were our own!
ENVIRONMENT
We all want a healthy life and a clean environment, and therefore we are concerned about everything that is around us!

By means of all the objectives set in relation to social corporate responsibility and by the sponsorship actions and donations initiated, SNTGN Transgaz SA Medias ethically commits to and contributes, by transparent and responsible business practices, to the sustainable development of economy and social cohesion, as well as to the improvement of the quality of life of the employees and their families and of the local community and society in which it operates.

"Apply or Explain" Statement

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
P19		Is the issuer managed in a two-tier system?		X	SNTGN TRANSGAZ SA has a one-tier management system and is managed by a Board of Directors. The Board of Directors has general competence for carrying out all actions necessary for successfully fulfilling the company's object, except for the matters falling within the competence of the General Meeting of Shareholders, according to the provisions of the Memorandum of Association, as updated on 03.10.2014 or to the applicable laws.
P1	R1	Has the issuer drawn up Articles of Incorporation/Rules of Corporate Governance describing the main aspects of corporate governance?	X		The company drew up, in 2010, the R*ules of Corporate Governance of SNTGN Transgaz SA Medias,* a document which was approved during the General Meeting of Shareholders of 02.03.2011.
		Are the Articles of Incorporation/Rules of Corporate Governance posted on the website of the company, also indicating the date when it was last updated?	X		
	R2	In the Articles of	X		

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
		Incorporation/Rules of Corporate Governance, are the corporate governance structures, functions, powers and responsibilities of the Board of Directors (BD) and the executive management defined?			
	R3	Does the issuer's Annual Report provide a chapter dedicated to corporate governance describing all the relevant events related to corporate governance, occurred during the previous financial year?	X		
		Does the issuer distribute information through the company's website in respect of the following aspects regarding its corporate governance policy: a) description of its corporate governance structures?	X		
		b) updated Memorandum of Association?	X		
		c) internal rules of operation / its essential aspects for each commission/specialized committee?	X		
		d) "Apply or Explain" Statement	X		
		e) list of the members of the BD, mentioning the independent and/or non-executive members and of the members of the executive management and/or specialized committee /commissions?	X		
		f) a short CV version for each member of the BD and of the executive management?	X		
P2		Does the issuer observe the rights of the holders of financial instruments issued by it, providing them with a fair treatment and submitting for approval any change to the rights conferred, during the special meetings of the concerned holders?	X		
P3	R4	Does the issuer publish, in a dedicated section of its website, details regarding the General Meeting of Shareholders (GMS): a) the notice of convocation to the GMS?	X		
		b) the materials/documents corresponding to the agenda and any other information regarding the items	X		

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
		on the agenda?			
		c) special power of attorney forms?	X		
	R6	Has the issuer drawn up and proposed to the GMS procedures for the orderly and efficient progress of the GMS works, without prejudice to the right of every shareholder to freely express his opinion on the matters under debate?	X		
	R8	Does the issuer disseminate, in a dedicated section on its own website, the rights of its shareholders, as well as the rules and procedures for attending the GMS?	X		
		Does the issuer provide information in due time (immediately after the GMS) of all the shareholders through the dedicated section of its own website: a) regarding the decisions made by the GMS?	X		
		b) regarding the detailed result of the vote?	X		
		Do the issuers disseminate through a special section on their own web page, easily identifiable and accessible: a) current reports/press statements?	X		
		b) the financial calendar, annual, semi-annual and quarterly reports?	X		
	R9	Is there within the company of the issuer a specialized department/special person dedicated to the relationship with the investors?	X		
P4, P5	R10	Does the BD meet at least once per quarter to monitor the issuer's activity?	X		
	R12	Does the issuer have a set of rules regarding the conduct and obligations of reporting of transactions in shares or other financial instruments issued by the company ("company's securities") carried on their own account by the directors and other stakeholders?	X		
		If a member of the BD or the executive management or another stakeholder carries out, for one's own account, a transaction with the company's securities, then is the transaction disseminated through the company's own website, according to the related rules?		X	Information is disseminated by the investment firm (SSIF) with which the transaction is made. These notifications will be published on the BSE website.
P6		Does the structure of the Issuer's Board of Directors ensure a balance between the executive and non-	X		

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
		executive members (and particularly from the independent non-executive directors) so that no individual or small group of people is able to dominate, in general, the decision-making process of the BD?			
P7		Does the structure of the Board of Directors of the issuer provide a sufficient number of independent members?	X		
P8	R15	In its activity, is the BD provided with support from the Advisory Committees/Commissions to examine specific themes, chosen by the BD, and for its advice on these topics?	X		
		The Advisory Committees / Commissions will submit Activity Reports to the BD regarding the themes it has entrusted?	X		
	R16	Does the Board of Directors use the criteria listed in Recommendation 16 to assess the independence of its non-executive members?	X		
	R17	Do the members of the BD constantly improve their knowledge through training/education in the field of corporate governance?	X		
P9		Is the election of the members of the BD based on a transparent procedure (objective criteria regarding the personal/professional qualification, etc.)?	X		
P10		Is there a Nomination Committee within the company?	X		
P11	R21	Does the Board of Directors review at least once a year the need to set up a Remuneration Committee/remuneration policy for directors and the members of its executive management?	X		
		Is the remuneration policy approved by the GMS?	X		
	R22	Is there a Remuneration Committee made up exclusively of non-executive directors?	X		
	R24	Is the company's remuneration policy presented in the Articles of Incorporation/Rules of Corporate Governance?	X		
P12, P13	R25	Does the issuer disseminate in English the information subject to	X		

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
		reporting requirements: a) regular information (provision of regular information)?			
		b) continuous information (provision of continuous information)?	X		
		Does the issuer also prepare and disseminate IFRS financial reporting?	X		
	R26	Does the issuer promote, at least once a year, meetings with financial analysts, brokers, rating agencies and other market professionals, in order to present financial elements relevant for the investment decision?	X		
	R27	Is there an Audit Committee within the company?	X		
	R28	Does the BD or the Audit Committee, as the case may be, examine regularly the effectiveness of financial reporting, internal control and risk management system adopted by the company?	X		
	R29	Is the Audit Committee made up exclusively of non-executive directors and does it have a sufficient number of independent directors?	X		
	R30	Does the Audit Committee meet at least twice a year, such meetings being dedicated to drawing up and disseminating to shareholders and public the semi-annual and annual results?	X		
	R32	Does the Audit Committee make recommendations to the BD regarding the selection, appointment, re-appointment and replacement of the financial auditor, as well as the terms and conditions of its remuneration?	X		
P14		Has the BD adopted a procedure to properly identify and settle conflict of interest situations?		X	Such situations are regulated by the applicable legislation.
P15	R33	Do the directors inform the BD in respect of the conflicts of interest as they arise and abstain from debates and vote on the matters concerned, in accordance with the applicable legal provisions?	X		
P16	R34/ R35	Has the BD adopt specific procedures in order to ensure the procedural		X	Such situations are regulated by the applicable

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
		correctness (criteria for identifying transactions with significant impact, transparency, objectivity, non-competition, etc.) in order to identify transactions with stakeholders?			legislation.
P17	R36	Has the BD adopted a procedure regarding the internal circuit and the disclosure to third parties of documents and information relating to the issuer, paying special attention to information that may influence the evolution of the market price of the securities issued by it?	X		
P18	R37/ R38	Does the issuer carry out activities related to Corporate Social and Environmental Responsibility?	X		

Relationship with stakeholders

The general and specific strategic objectives of SNTGN TRANSGAZ SA activity are established in the context of alignment with the new European energy policy requirements on safety and energy security, sustainable development and competitiveness.

In this context, the implementation and development of corporate governance principles, development of responsible, transparent, business practices is increasingly becoming a necessity in the foundation and implementation of business strategies and corporate policies.

Subscribing to this goal, SNTGN TRANSGAZ SA Mediaş also pursues its own governance and regulation, ensuring a rigorous scaling and regulation framework of corporate governance at company level, the development of an effective and proactive relationship system in regard to the shareholders and stakeholders.

SHAREHOLDERS

- continuiity of activities
- maximization of the company's value
- increased return on investments
- cost optimization
- improved investment program execution
- efficient management of activities
- transparency and efficient communication

SUPPLYERS

- securing the technical quality of the services
- suppliers' satisfaction streamlining
- securing service continuity

CLIENTS

- quality increase
- compliance with the gas transmission Performance Standard
- securing the commercial quality of gas transmission services
- securing gas supply continuity

ANRE

- transparency
- compliance with Regulatory Authority For Energy regulations
- NTS optimal operation, management and maintenance
- cooperation in order to define and meet TSO requirements

STATE AUTHORITIES

- transparency and communication
- efficient cooperation
- professional ethics
- accurate and timely reporting

MEDIA

- direct acces to public data
- improvement of the company's image and reputation
- professional deontology

PUBLIC OPINION

- transparency
- improve of the company's image
- corporate social responsibility
- environmental respect and sustainability

EMPLOYEES

- transparency and communication, professional ethics
- operational stability
- social dialogue
- the company's sustainable development
- appropriate motivation
- improvement of the organisational climate

Transgaz Administrators consider that by acting in the spirit of best corporate governance practices, the established objectives can be achieved and the trust capital of stakeholders in the capabilities of the company to ensure maximum business efficiency shall increase.

ANNEX 2 HSSEQ ACTIVITIES

Activities in the field of Health and Occupational Security

Between 01.01.- 30.06.2015, the health and occupational security activity was mainly focused on compliance with the legislation provisions and taking all measures to ensure the safety and health of workers, in particular on the performance of the "Prevention and Protection Plan for the year 2015".

In order to reduce and/or eliminate the risk of on-site occupation accidents and illnesses, the company organized specific actions which contributed to the materialization of the planned measures, with a priority set on technical, organizational and sanitary-medical activities.

Here are some aspects resulting from the analysis of how prevention and protection measures have been completed in the company:

A. **The organizational measures** carried out according to the plan:
   - Carrying out the medical examination of employees according to the legal requirements in force, by means of specialized labour medicine companies; completing the technical specification and implicitly the tender bool for acquisition of medical services in occupational medicine and starting the acquisition procedure by means of open tender with electronic completion (procedure in progress);
   - Presentation in the Technical-Economic Council of Transgaz of stage two of the study: "*Determining the professional effort, evaluation of the work capacity and professional exhaustion from physical, neuropsychological and sensory stress. Evaluation of work positions and persons which are categorised as difficult, dangerous, harmful or detrimental",* carried out by INCDPM AlexandruDarabont Bucharest; completion of stage 3 of the study, on 30.06.2015, which is to be scheduled to be presented in the Technical-Economic Council .
   - Procurement and bringing into service, according to legal provisions, of types individual protection equipment, selected and approved for procurement during CSSM meetings, for the proper equipment of employees;
   - Monitoring the proper execution of the service agreement concluded with INCD – INSEMEX Petrosani for the on site examination of the installations where potential explosive atmospheres may occur and issuing the certificates of conformity for a number of 255 items, for which the necessary technical documentation have been drawn up;
   - Completion of the procurement of renting and maintenance services for mobile toilet cabins, with the conclusion of the Frame Service Agreement no.

326/29.06.2015, for a period of 4 years, after which the subsequent service agreement shall be concluded at the beginning of the quarter III 2015;

- Ensuring coordination for occupational security and health at the work sites opened by SNTGN TRANSGAZ SA Medias, according to the provisions of *Government Resolution no. 300/2006 regarding the minimum requirements for occupational security and health on temporary and mobile work sites*. Also, there have been concluded conventions for occupational security and health – Emergency Situations and Environment Protection, with the work and service providers employed by the company;
- Carrying out of training, guidance and targeted inspection actions by S.S.M. inspectors from the Occupational Security and Health Service, according to the programs drawn up by Protection and Security Directorate and approved by the director of the Control Body, Quality – Environment, Protection and Security Department. Therefore, by specific means, the activity on all categories of work positions has been monitored and the unconformities found have been corrected;
- Participation of the occupational security and health inspectors in the audit commissions for quality – environment SSO, which audited the processes of the Operation Department and the Use and Maintenance Department. Also, during this period, the audit at Bacău Regional Office,Constanța Regional Office andBucureşti Regional Office has been carried out.
- Investigation of the event occurred on 17.01.2015 at SRM Șaroș on the Târnava rivers, belonging to the Mediaş Regional Office. The investigation started after receiving the technical evaluation carried out by INCD INSEMEX Petroșani. The event shall be classified as a light accident, the operator Bleahu Ioan being injured;
- Updating the job descriptions of SSM inspectors from the regional offices, these being brought in line with the provisions from ROF Transgaz;
- Updating the *Internal Equipment List, for offering the personal protective equipment – 2003 Edition;*
- Updating the *"Company's own occupational security and health instructions, specific to SNTGN Transgaz SA Mediaş";*
- Issuing the circular regarding the documents that must be posted at the offices and sites of SNTGN TRANSGAZ SA Mediaş.

B. Technical measures

During this semester, the performance of technical measures set out in the Prevention and Protection Plan for 2015 was aimed, taking into account the ***S.N.T.G.N. Transgaz Mediaş Projects*** regarding the modernization policy of the ***National Transmission System,*** of which we note:

- recondition of the electrical and grounding installations at the working points named in the Prevention and Protection Plan;
- modernisation of the social groups and supplying drinking water at the working points named in the Prevention and Protection Plan;

- performance of modernization and sanitation works at the operators' houses established in the Prevention and Protection Plan.

C. Sanitary and hygienic measures

In order to implement the sanitary and hygienic measures (providing sanitary and hygienic materials, completing/replacing the components of the first aid sanitary kits, pest control and deratization, protection food) contracts were concluded by the company and followed by the specialized services (Supply Service, Administrative Service) with companies providing the necessary materials and ensuring the concerned services.

D.
Report of incidents (working events) occurred in SNTGN TRANSGAZ SA Mediaş

Regarding the events occurred in SNTGN TRANSGAZ SA Mediaş, during Semester I 2015 there has been **one fatal work accident**, occurred on 02.04.2015 on the road DN 14, km 85+690 m, between the localities Daneş and Sighişoara, Mureş County; PODARU VALERICĂ, a technician at the Regional Office Braşov, has been fatally wounded.

In Semester I 2015, the event occurred on 30.04.2015 at the office of SNTGN TRANSGAZ SA Mediaş, address str. Unirii, nr. 6, Mediaş locality, Sibiu County, has been investigated, event which resulted in the emergency hospitalization at the Municipal Hospital Mediaş of COLDEA SIMION, guard, after feeling sick during working hours. Following the investigation it was concluded the the event **is not classified as a work accident**.

SNTGN TRANSGAZ SA Mediaş has has during Semester I 2015 one case of **professional illness** – case investigated and declared by DSP Mureş (Kosa Ferenc, hired as pipe route operator at ET Cluj, TG Mureş sector). The report which declared the professional illness has been appealed according to legal provisions, through the Legal Department at the Occupational Health Experts Commission, on 12.05.2015. Following the appeal and the analysis of the investigation file by the commission of experts, the commission decided to maintain the conclusion of DSP Mureş (Resolution of the Experts Commission no. H 957/07.07.2015

As for the contraventions applied to SNTGN TRANSGAZ S.A, please note that the company **has not been sanctioned contraventionally on the ground of not observing occupational security and health provisions**.

Activities in the field of environmental protection
Environment Protection Activity
Legal framework and certificates

According to the environment protection legislation, during the first 6 months of the year, 2 files were submitted for the renewal of environmental permits. Thus, at

company level, there are 18 *environmental permits*, which authorize a number of 1177 objectives.

As far as water management permits are concerned, the applicable legislation requires getting the regulatory documentations for all the objectives built on waters or which are related to waters. As a result, the company has *126 water management permits* for water courses crossed by natural gas transmission main pipelines, of which *16 were renewed* in the first 6 months.

Reports were drafted monthly and quarterly to the industry authorities according to the obligations from the regulatory documents held by the company.
During the first 6 months of the year, according to the agreements concluded in the field of environment protection, there have been conducted analyses on the household waste waters and the waste resulted from the cleaning (pigging) actions conducted by authorized laboratories, these being handed over to the authorized operators for using / eliminating waste, thus observing the requirements from the regulatory documents held by the company and the legislation in force.

Inspections and sanctions

During 01.01.2015 - 30.06.2015, S.N.T.G.N. Transgaz S.A was subject to 5 inspections, all of them carried out by the National Environmental Guard – County Commissariats. As a result of these inspections, no contraventional sanctions were applied, only improvement measures were established.

The main measures taken for the improvement of the company's activity, according to the inspection reports of the control authorities are:

- tracing the hazardous waste handed over to the specialized units;
- creating plans for observing the legal noise limits;
- annual monitoring of noise levels, with the help of authorized laboratories;

As for the contraventions applied to SNTGN TRANSGAZ S.A, please note that the company **has not been sanctioned contraventionally on the ground of not observing the provisions for environment protection.** .

Activities performed by the Laboratory of Monitorization of Environmental Factors

The main activities carried out by the Laboratory of Monitorization of Environmental Factors in 2015 consist of:
Monitoring of pollution sources and identification and assessment of environmental aspects in S.N.T.G.N.- Transgaz S.A sites

These activities are **specific objectives** of the laboratory and a part of the **general objective of** "Reducing the impact of technological processes on the environment" and subsequent to the **strategic objective** of "Sustainable Development". The activities are

included in the ROF of SNTGN Transgaz SA and are part of **The program of the Integrated Management System for Quality and Environment – OHSAS for 2015.**

These programs were conducted in a planned manner in accordance with the requirements of the environmental permits issued by the National Agency of Environmental Protection Bucharest and consisted in the systematic performance, on the company's sites.

Table with the degree of achievement of sources of pollution monitoring and evaluation of environmental aspects – Semester I 2015

Reporting period/ Type of activity	Number of planned sites in Semester I *2015*	Number of sites verified in Semester I *2015*	Achieve ment (%)
for the monitoring of pollution sources	316	307	**97.15**
for the assessment of environmental aspects;	85	85	**100**

Activities in the field of Quality-Environment Management System

Status of the Audit Process of the Integrated Management System for Quality, Environment and Occupational Health and Safety at the Regional Offices:

Status of the Audit Process of the Integrated Management System for Quality, Environment and Occupational Health and Safety at Company level:

- *in the Operation Department:*
- Management of TGN Agreements – delayed;
- Management of Qualitative and Quantitative Measurement – completed;
- Inspection of Measurement and Monitoring Equipment – completed;
- NTS dispatching – completed.

- *in the Use and Maintenance Department:*
- Maintenance of NTS pipes – completed;
- Maintenance GMS, VCS, NT – completed;
- Maintenance of Cathodic Protection systems – completed;
- Maintenance of Compressing Stations – completed;
- Materials Procurement and Storage – delayed.
- *in the Strategy and Corporative Management Department:*
- Creating the Strategy – delayed;
- Monitoring the strategy – delayed;
- Drawing up the Sponsoring documents – delayed.
- *in the Development Department:*
- Access to NTS – completed;
- Creating the Modernisation, Development and Repair programs – completed;
- Tracking and reporting the modernization and repair achievements – completed;
- Managing emergency works – completed.
- *in the Design and Research Department:*
- Design, Research – completed.

Status of the cross audits between Regional Offices (RO):
- Brăila RO to Constanța RO – completed;
- Arad RO to Cluj RO – completed;
- Cluj RO to Mediaş RO - completed;
- Mediaş RO to Bacău RO – completed;
- Bacău RO to Brăila RO – completed;
- Constanța RO to Bucharest RO – delayed.

Guidance process regarding the drafting of the work procedures and instructions:

- *in the Secretariat Service of the Board of Directors (CA) and General Meeting of Shareholders(AGA):*
- PP-124 Organizing and conducting the CA meetings;
- PP-125 Organizing and conducting the CA-O meetings;
- PP-126 Organizing and conducting the AGA meetings;
- IL-PP-124-41 Completion of files and meetings;
- IL-PP-124-42 Issuing resolution excerpts.
- *in the Public Procurement and Contracting Direction:*
- PP-36 Awarding of public procurement contracts;
- PP 53 Elaboration of the Annual Public Procurement Program.
- *in the Strategy and Corporative Management Department:*
- PP-91 Elaboration of risk register;
- PP-92 Elaboration and reporting regarding the degree of meeting the indicators provided in the performance standard of the natural gas transport service;
- PP-106 Risk Management;
- PP-61 Internal and external communication regarding mass-media requests based on Law no. 544/2001;
- PP-139 Monitorization of annual activity programs;
- PP-142 Personnel records and monitoring.

- *in the Cooperation and European Regulations:*
- PP… Methodology for approving and authorizing external work trips of the personnel from SNTGN Transgaz SA.
- *in the Work Execution Preparing Direction:*
- PP… Elaboration and updating the modernization and investment development program.
- *in the Control Body Quality-Environment Protection and Security Department:*
- IL-PP-01-01 Elaboration of the flux diagram;
- PGS-07 Training of workers, collaborators and visitors in the occupational security and health field;
- PGSU-01 Training of workers, collaborators and visitors in the field of emergency situations
- *in the Use and Maintenance Department:*
- PP 163 GIS updating, technological charts, topology (SIMONE);
- PP 171 Establishing access rules to the computerized / GIS record system documents of NTS objectives.
- *In the Operation Department:*
- PP 167 Transmission of the information pertaining to the physical entry / exit points from NTS

Customer Satisfaction Assessment Process

- 38 questionnaires were transmitted, 20 filled in questionnaires were handed in (52.63% of the total number of users of the transmission network), 29.87% less compared to last year;
- 3 complaints were registered;
- no dissatisfied customers were identified.

CALCULATION BOARD – **Customer Satisfaction Assessment** 2014

	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	TREND COMPARED 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 reply on 30.05.2014 (gas quality Donalam)	8	8	8	Flexibility in cancelling the reserved capacity when a work site is closed (# 488 / 08.09.2014)	83	→
DISTRIGAZ VEST	8	8	8	8	8	8	9	7	9	8	8	8		97	↑
ELECTROCENTRALE CONSTANȚA	8	8	8	8	8	8	9	9	9	8	8	8		99	
ELECTROCENTRALE GALAȚI	8	8	8	8	8	8	9	9	9	8	8	8		99	→
ELECTROCENTRALE 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	↑

	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	TREND COMPARED

															TO 2013
TTO GAZ	**8**	**6**	**8**	**8**	**8**	**6**	**9**	**7**	**9**	**6**	**6**	**8**		**89**	↑
ROMGAZ	**8**	**8**	**8**	**2**	**6**	**8**	**9**	**3**	**3 - Complaints: F 2305 / 29.10.2014; F 189 / 21.01.2015; F 477 / 23.02.2015**	**8**	**6**	**8**	**Posibilitatea UR de a transfera capacitate între punctele în care are rezervare, în limita capacităţii rezervate**	**77**	↓
TINMAR	**8**	**8**	**8**	**8**	**8**	**8**	**9**	**8**	**9**	**8**	**8**	**8**	**Să se ţină seama de discuţiile avute împreună cu reprezentanţii A.N.R.E. privind Codul Reţelei şi penalizările nejustificate ale producătorilor / furnizorilor, care efectuează nominalizările / renominalizările proprii în vederea centralizării / echilibrării la nivel naţional, din cauza lipsei de colaborare a unor utilizatori de reţea**	**98**	↓
WIEE ROMANIA	**8**	**8**	**8**	**8**	**8**	**8**	**9**	**7**	**9**	**8**	**8**	**8**		**97**	↑

80-100 POINTS (S) – **satisfied customers**
60-79 puncte (PS) – **partially satisfied customers**
‹ 60 puncte – unsatisfied customers

Activities in the field of Protection and Security Guard

Fire Protection and Emergencies

- The procurement procedure for "Services for verification, repair, loading of fire extinguishers and verification, repair of hydrant installations" is complete;Participation at the meetings of the Sibiu County Council for Emergency Situations has been ensured;
- 8 sectors with the pertaining objectives have been inspected by the County Inspectorates for Emergency Situations, without any contraventional sanctions;
- The inventory of the P.S.I. (Fire fighting and prevention) / type means from the S.N.T.G.N,,TRANSGAZ" S.A. Mediaş objectives;
- An intervention excercise has been conducted together with ISU "Dobrogea" of Constanța County, at the GMS objective Negru Vodă;
- There have been made steps towards for conducting an intervention excercise together with ISU "Cpt. Dumitru Croitoru" of Sibiu County at the office of TRANSGAZ from the town of Mediaş, P-ța C.I. Motaş.
- An internal inspection has been carried out in the field of PSI, SU (emergency situations) and objective protection at the Cluj Regional Office, included in the annual guidance and control program;
- A procedure has been drawn up regarding the training of employees in the field of PSI and Emergency Situations.
- The procurement procedure for services of "documentation elaboration for obtaining PSI permit for 3 objectives and identification and evaluation of fire risk for 33 objectives;

Objectives Protection and Security Guarding

-
- 8 permanent guard posts have been created at objectives with unacceptable risk, work sites or storage units;
- Development and equipping of command post for Civil Protection is in progress;
- The works at the location of the Security Dispatch Centre of SNTGN "TRANSGAZ" are completed, and the equipping works shall be done in the following period;
- The public procurement procedure by means of open tender for the conclusion of frame agreements for a period of two years, for guard services, has been cancelled, due to the fact that none of the tendering companies has presented a satisfactory tender, in accordance with the requirements of the tender book. The evaluation commission has decided to cancel the procedure. Following this cancellation, one of the companies participating in the procedure has filed a complaint at CNSC, where the decision of the evaluation commission for tenders from Transgaz has been validated, being considered correct and legal. As a result, the decision to cancel the tender has been attacked according to legal provisions at the Court of Appeal, which re-confirmed the decision of the CNSC and the Transgaz Commission.

Security systems

- Maintenance,repair and verifications were performed for burglar security systemsand video surveillance for several objectives of the company, namely: Braşov RO, Sighişoara Sector, Mediaş Branch;

- The effraction detection system at the Braşov RO pay office has been replaced;
- Maintenance works for the effraction detection system have been conducted a the Tansgaz Mediaş main office;
- The control access system from the Mediaş RO has had its software re-installed and database updated;
- The service agreement no. 147/25.03.2015 has been concluded between SNTGN. Transgaz SA and SC UTI GRUP SA, regarding the procurement of maintenance services for security systems;
- An intervention was made at request, at the effraction detection and video surveillance systems at the Sinaia Training Centre.
- An intervention was made at request, at the access control system from Cluj Napoca RO.
- An intervention was made at request, at the fire detection and video surveillance system at Bacău RO;
- An intervention was made at request, and reactivation of the fire detection system at Bucharest RO.
- The service activity has started according to service agreement no. 147/25.03.2015, concluded between SNTGN TRANSGAZ SA MEDIAŞ and SC UTI GRUP SA. The revision of the security systems and effraction, detection, fire detection, access control and video surveillance systems installed in the offices of Transgaz from Mediaş and the rest of the country, has been made, according to the work schedule. Based on the concluded agreement, the first revision of the security systems is approaching completion, the last location being GMS NEGRU VODA, scheduled for 14.07.2015.

Critical Infrastructure Protection

The Security Plans of the Operator for the critical national infrastructure objectives assigned by the legislation in force, have been approved, for S.N.T.G.N TRANSGAZ S.A., by the competent authority, the Ministry of Economy, Trade and Tourism, which returned one copy for each objective, in order for the testing and application of the measures contained in the documents to commence.

Military records

- According to the provisions of art. 9, para. (4) and art. 10, para. (2) of Government Resolution no. 1204/2007, there have been drafted requests for mobilization at the workplace for the employees of SNTGN Transgaz SA who meet the legal requirements, requests which have been sent to the Sibiu Territorial Service for Special Issues and at the County Military Centres;
- Identification cards and access cards have been issued to the newly employed personnel or to those who changed their workplace;
- The necessary notices have been drafted, necessary for updating the economic and military monography of the counties for which data has been requested;
- The access accreditations for SNTGN Transgaz SA have been issued, for the personnel carrying out various activities;

Activities in the field of Documents Management

In the activity regarding the recording and sending of unclassified documents, a series of issues regarding the circulation of documents were resolved by internal regulations to avoid losses/damages.

- At the General Record Office, a regulation is being drafted regarding the "hand over – take over of documents", for their registration and dispatching.

In the activity regarding the drafting, management and archiving of classified documents the settlement of the following was achieved:

- Updating Annexes of the *Prevention Program against leaks of classified information*;
- Updating the list of holders of security certificates / access permits to classified information in S.N.T.G.N. TRANSGAZ S.A;
- *The Internal Norms regarding the protection of classified and unclassified information, approved by Decision no. 115/19.02.2015, has been approved;*
- As a protection measure of the documents stored in the archive, Circular no. 5522/05.02.2015 has been issued, regarding the requesting of documents from the company's archive storage;
- Conducting of trainings for employees regarding the protection of classified and unclassified information;
-
- Documents classified according to The Decision of the Council of Ministers no. 19/1972, have been declassified;
- Connection and use of 3 workstations to the network dedicated to the PROFESSIONAL SECRECY;

In the activity regarding the management and archiving of unclassified documents the settlement of the following was achieved:

- An agreement has been drafted for handing over paper waste, resulted from the first selection work of documents, conducted inside the company;
- Based on the said agreement, 4,240 kg of paper have been handed over to SC Vrancart SA, for the price of 0.2 lei/kg.
- The database for the electronic archive has been extended by taking in technical documents in the archive;
- The building from str. Carpați, where technical documents were stored was cleared for demolition and reconstruction of a new building;

Activities in the field Control Body

The Control Body Service missions were focused on providing an approach to minimize the risk of errors and non-conformities, aimed at achieving performance at all levels of the company. The focus was mainly on:

- identifying the potential factors that could affect the achievement of the management plan;
- suggesting viable solutions during the performance of projects, primarily those with European funding.

The centralisation of the **10 control missions of which 2 started in 2014 and continued in 2015,** to which **8 new missions** were added**,** shown in Table 1, indicate that they were aimed at:

- achieving interconnections;
- European funded projects;
- expenditure optimization;
- improving the quality of work executiuon;
- miscellaneous.

According to the chart below , the most part of the control missions was circumscribed to the improving the quality of work execution (50%) followed by European funds projects and miscellaneous, each with a percentage of expenditure optimization (25%).

Table no. 1

Item no.	Topic of control mission	Mission status	
performance of interconnections and European funded projects			

Item no.	Topic of control mission	Mission status
1	Verification of the implementation of the technical project for works of crossing / undercrossing the Danube for the interconnection of Romanian and Bulgarian natural gas transport systems	the mission is in progress, because the project's deadlines were extended
2	Implementation of SCADA system for the gas network within SNTGN "TRANSGAZ" S.A.	the mission is in progress because the project's deadlines were extended
expenditure optimization		
3	Procurement and use of recipient cards for fuel supply	mission is in progress
improving the quality of work execution		
4	Verification of technical projects and rehabilitation works from the Regional Offices during the period 01.01.2010-31.12.2014: a) verification of the works performed on the Coroi – Bucharest pipeline, section Izvor Sinaia plateau – Filipeşti	mission is in progress
5	Verification of execution conformity for the technical projects regarding the retrofitting work at the Band Technological Node	mission is in progress
6	Investigating the causes which lead to vulnerable areas in the NTS, with risks in use	mission is in progress
7	Verification of the situation reported at the Technological Node Afumaţi	mission is in progress
8	Verification of the unconformities reported at the taps from NT Pole 89	completed
miscellaneous		
9	Verification of the situation reported by the Vizitiu couple	mission is in progress
10	Verification of the incident occurred at the Constanţa Regional Office, reported by Mr. Stan Dragoş	completed

Missions regarding the "Execution method of interconnection pipeline between the gas transmission systems of Romania and Bulgaria" and "Implementation method of SCADA system for the gas network within SNTGN "TRANSGAZ" S.A.", concerning the ***"performance of interconnections and European funded projects"*** are in progress because the deadlines were extended on reasonable grounds.

As of 30.06.2015, **6,354 lei lei** were recovered from the company's employees representing the countervalue of a motor current generator unit towable by a vehicle, stolen in the year 2014 from SRMP (the value of the damage, including VAT has been established at **7,068 lei,** which is recovered from three operators in a period of 12 months).
It has been constantly aimed at the Control Body that the control missions be conducted with the proper timeliness, together with maintaining the efficiency and quality indicators.

The fact that most of the missions mentioned in table no. 1 are in progress is motivated by:

- their great complexity;
- performance of several missions at the same time;
- the interference of tasks specific to a management position and the execution stage with the service/office manager.

The activity of the Control Body in semester I 2015 has been positive from a quality perspective, due to both the field activity and the special contribution of those working in document analysis.
On the other hand, the activity quality of the Control Body Service employees must be analyzed through the lens of the major complexity of the control missions.

Other activities

Starting with this year, at department level, according to the approved internal programs, the following types of inspections/audits have been conducted:

- internal inspections – conducted by the specialized inspectors from the department;
- cross inspections – conducted by a team of specialized inspectors from a Regional Office at another Regional Office;
- internal audits – according to the Company Audit Plan, conducted by the auditors from the special service;
- cross audits – conducted by a team of specialized inspectors/quality auditors from a Regional Office at another Regional Office.

This activity aims at increasing the observance level of the legal provisions from the fields of occupational security and health, environment protection, emergency situations, accident prevention in various areas, improving the performance of activities for avoiding contraventional sanctions from the control bodies.

Conducting several types of audit, respectively process audit and integrated audit, has the aim of maintaining, applying and improving the procedures from the Integrated Management System Quality – Environment – SSO.