

# **SPECIFICATIONS BOOK**

## **FOR THE ACQUISITION OF LEGAL SERVICES IN CONNECTION WITH OPERATIONS RELATING TO GDRs LISTED ON LONDON STOCK EXCHANGE**

### **CHAPTER I**

#### **Overview of the Company and the Operations relating to GDRs**

Societatea Nationala de Gaze Naturale ROMGAZ S.A. (hereinafter referred to as “Romgaz” or the “Company”) is the largest natural gas producer and the main gas supplier in Romania.

Romgaz is a joint-stock company of national interest in which the Romanian State is the majority shareholder, holding 70% of the share capital.

On November 12, 2013, Romgaz was listed on Bucharest Stock Exchange (hereinafter referred to as “BVB”) and on London Stock Exchange (hereinafter referred to as “LSE”). As of this date, Company’s shares are traded on the regulated market governed by BVB, Main segment, Premium Category, under “SNG” symbol. At the same time, Global Depositary Receipts (GDRs), issued by The Bank of New York Mellon<sup>1</sup> (hereinafter referred to as “BNYM”) (1 GDR = 1 share) are traded on the regulated market governed by LSE, Main Market, standard listing, under “SNGR” symbol – GDRs based on S Regulation<sup>2</sup>, respectively under “SNG1” symbol – GDRs based on Rule 144A<sup>3</sup>.

On December 18, 2023, through Resolution no.17, Romgaz’ shareholders approved the increase of the share capital by incorporating reserves. The share capital will be increased with RON 3,468,801,600 by issuing to existing shareholders on the registration date, 9 free new shares for each share held, according to the following formula  $3,468,801,600/385,422,400$ . Following this increase, the new value of the share capital shall be RON 3,854,224,000, divided in 3,854,224,000 shares, each with a nominal value of RON 1. Shareholding structure shall not be modified by this increase. The shareholders also approved the following dates: May 28, 2024 as ex-date, May 29, 2024 as the date of registration of the shareholders on whom the effects of the Extraordinary General Meeting of Shareholders' Decision will be passed, and May 30, 2024 as the date of payment of the bonus shares.

During the 10 years of listing, the number of GDRs varied, yet the tendency was mainly to decrease the

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<sup>1</sup> BNYM is Romgaz GDR depository, in accordance with the provisions of the Deposit Agreement in force

<sup>2</sup> GDRs offered and traded outside the US through offshore transactions based on S Regulation of Securities Act

<sup>3</sup> GDRs offered and traded outside the US through offshore transactions based on Rule 144A of Securities Act

number. As such, if on November 12, 2013 there were 20,085,048 GDRs (5.21% of Romgaz share capital), currently (as of January 12, 2024) the number decreased by 93.73%, i.e. 1.259.638 GDRs (0.33% of Romgaz share capital).

Thus, as a result of the low interest and additional costs, the Company might consider in the next period the option of delisting the GDRs from LSE. Such a decision can only be taken through a General Meeting of Romgaz Shareholders.

More information about ROMGAZ is available on its website <https://www.romgaz.ro/en/romgaz>.

## **CHAPTER II**

### **Scope of Work:**

ROMGAZ is currently considering appointing (selecting through a competitive procurement procedure) an independent legal advisor (the provider of services) with a complex team of professionals with relevant experience whose area of business includes LSE specific regulation, S Regulation and 144A Rule, GDRs-related operations.

The appointed advisor will be free of any conflicts of interest and will not engage in securities trading, selling, or underwriting of securities in connection with the services provided.

## **CHAPTER III**

**TASKS:** Contract Review, due diligence, negotiation of documents, work with internal and external counsels, regulatory compliance

The objective of these services is to acquire legal guidance to assist the Company in making informed decisions for identifying and taking all steps necessary to fulfill all legal requirements in relation with GDRs listed on London Stock Exchange for corporate events such as: issuing new GDRs by the Bank of New York Mellon, possible delisting GDRs and other events that may take place in connection with GDRs. The appointed advisor will also represent the Company, as instructed, to submit all relevant documents to authorities and connect with such authorities, as may be necessary during the process, or to procure legal assistance, consultancy and/or representation services specialized in the above-indicated fields, required to secure the representation of the Company's best interests with the highest degree of professionalism in connection with GDRs listed on LSE and with any operations related thereto, including issuance of new GDRs, possible delisting of GDRs, without any limitation thereto.

**Description of the services:** Assistance in identifying and taking all steps necessary to fulfill all legal requirements in relation with GDRs listed on London Stock Exchange for corporate events

### **Capital Increase Support:**

- Offering guidance on the formalities and necessities set by the UK's Financial Conduct Authority (FCA), the London Stock Exchange (LSE) and other relevant authorities/institutions in the process, if any, for issuing Global Depository Receipts (GDRs) as part of the capital increase.
- Aiding in the compilation of the requisite FCA, LSE and other relevant authorities/institutions, if any, applications for the issuance of GDRs linked to the capital increase.
- Coordinating communication with the FCA, LSE and other relevant authorities/institutions, if any, concerning the issuance of GDRs.
- Working with BNYM, as the depository for the GDRs, to ensure GDR holders can partake in the capital increase, discussing the procedural aspects.
- With BNYM's support, crafting suitable disclosures for the shareholder information document regarding the GDRs.
- Contributing insights on English law for the company's public statements regarding its GDRs.
- Preparing any necessary documentation or memos demanded by Romgaz's management for this particular corporate action.

- The activity regarding the increase of the social capital must take into account the date of May 30, 2024 defined as the date of payment of the bonus shares

#### GDR Delisting from LSE:

- Outline the key steps for initiating the GDR delisting process, including pre-conditions and a timeline/chart, adhering to Romanian and UK legal standards and existing agreements with BNYM.
- Offer legal support for the Extraordinary General Meeting of Shareholders (EGMS) to secure approval of the delisting and authorization of the Board of Directors to handle the delisting formalities.
- Prepare or examine the notice for the EGMS, draft resolutions, and related support materials (e.g., explanatory notes, previous Board resolutions) necessary for the meeting.
- Provide legal guidance and review other critical documents (like notices for ending depositary agreements) and ensure alignment with BNYM.
- Participate in discussions with BNYM.
- Assist legally in creating or reviewing additional documentation authorized by the EGMS for delisting execution.
- Formulate or assess the delisting application and offer legal support during the submission to the UK Financial Conduct Authority (FCA) and other relevant authorities/institutions, if any.
- Compose or scrutinize the delisting announcement, confirmation, and any other documentation throughout the process.
- Deliver legal counsel and support for completing any other necessary formalities with the FCA, Romanian Financial Supervisory Authority, Bucharest Stock Exchange, Romanian Central Depository and other relevant authorities/institutions, as needed.
- Provide any other general capital market guidance related to the GDR delisting process.

## **CHAPTER IV**

### **Deliverables**

Throughout the duration of the contract, the services rendered by the service provider shall encompass the creation and submission of the following principal reports to the Company:

1. Independent Report 1 – An independent evaluation report regarding the procedure for increasing the share capital, this report will be issued upon completion of the capital increase procedure.
2. Independent Report 2 – An independent report on the delisting procedure;
3. Memorandum for the BoD and EGMS for the implementation of delisting;
4. Draft for the EGMS convening notice, EGMS draft resolution in respect of a delisting process;
5. Drafting the delisting announcement, delisting confirmation and any other related documents involved in the process;
6. Notice of termination of the GDR program;
7. the preparation of a share purchase/sale agreement with the Depository ( if necessary);

As needed, the Company may request additional memos addressing specific issues identified during the course of the process.

The deadlines for handing over the deliverables mentioned in points 1-7 and additional notes (if applicable) will be established by mutual agreement at the request of the company

## **CHAPTER V**

### **Timeframe**

The mandate for advisory services, namely for the independent review & preparation of the share capital increase and delisting process **is for approximately 6 months** from the beginning of the mandate.

## **CHAPTER VI**

### **The Parties' duties and responsibilities**

### **General obligations of the provider:**

The Proposal submitted by the provider will include the team of professionals that will work on the project. The team must include an appropriate number of senior professionals with at least 5 years of experience in similar projects. The provider commits to using the team mentioned in the Proposal.

### **General obligations of the Company**

- ROMGAZ will make available to the provider, under conditions of confidentiality, all the data needed for providing the services to be performed by the provider.
- ROMGAZ will answer the provider's clarification questions, necessary for the analysis and the services to be performed by the provider.
- ROMGAZ undertakes to pay for the services provided by The provider within 30 days from the invoice's date of receipt (the invoice shall be issued after signing a Minute of Acceptance of the Services by both Parties).

**Note: Note: Romgaz will not pay in advance for the services provided, the provider will issue invoices only after submitting each of the reports mentioned in Chapter IV. The services will be invoiced according to the hours actually provided. Payment for services will be made in euro for contracts concluded with foreign legal entities, and in lei for contracts concluded with Romanian legal entities.**

## **CHAPTER VI**

### **Place of provision of services**

The provider may provide and/or perform the requested services at ROMGAZ headquarter and/or at the provider's headquarter or any other location it deems fit for purpose (as the case may be).

## **CHAPTER VII**

**Necessary expertise required to carry out the activities:** similar experience/ expertise in providing following services:

- a) projects in LSE in the past three years;
- b) Minimum number of transactions as those described in a) above – 1 (one).

The Proposal shall contain the dedicated team of professionals and their dedicated time for providing these services, with a description of their experience. In this regard, the bidder will present documents to demonstrate the expertise.

## **CHAPTER VIII**

### **Contract period and reception of the deliverables**

ROMGAZ will sign a contract with the provider for a performance period of up to 24 months, starting from the date of signing the contract.

The parties may agree during the contract to modify and/or extend its duration, by concluding an addendum to the contract.

## **CHAPTER IX**

### **Financial proposal**

- Romgaz will not pay Success Fees in form of variable consideration;
- The fees should include all expenses the bidder may incur in providing the services subject to this Specifications Book, including out-of-pocket expenses, travel, accommodation etc;

### **CHAPTER X Award Criterion: Best Value for Money**

Calculation Method: the economically most advantageous bid based on the following criteria:

A. Financial component (without VAT) – 40%

Evaluation factor no. 1 - Offered rate (hourly rate)

Maximum score allocated 40 points

Calculation algorithm;

-For the lowest tariff (minimum t) the maximum score allocated is 40.

For the other hourly rates offered, the Pn score is calculated as follows:

$P(n) = (\text{minimum } t / \text{tariff "n"}) \times 40$

P (n) the score obtained by the evaluated offer for the offered rate factor

t (minimum)= the lowest hourly rate offered

t (n) – the price of the offer subject to evaluation

### **B. Technical Bid Evaluation: 60 points**

The selection of a legal service provider should be based on a robust Technical Bid Evaluation (TBE) criterion that ensures the chosen firm can offer the highest standards of service, aligning with the company's objectives and legal requirements. The TBE criterion for the award of the contract consist of the following sub-criteria:

#### **1. Understanding of the Project Scope and the Efficiency of the Proposed Methodology**

The initial criterion for evaluation should be the bidding firm's understanding of the project scope. This involves assessing how well the firm gravitates the complexities involved in any operation related to GDRs (e.g. increasing the company's share capital, delisting GDRs), including the legal, regulatory, and compliance implications. The firm should demonstrate a clear understanding of the objectives, potential challenges, and the specific legal services required to successfully complete the process considering the implications of the dual legal system (Romanian and English) involved in the process of the increase in share capital and delisting GDRs. The provider of services is required to ensure compliance with all applicable laws and regulations throughout the process.

The methodology proposed by the legal firm to achieve the project's objectives is another critical evaluation criterion. This includes:

#### **1.1 The strategic optimal approach to handling the legal aspects of increasing share capital and delisting GDRs: step-by-step description:**

- a) The strategic optimal approach to handling the legal aspects of increasing share capital and delisting GDRs: step-by-step description are based, **exclusively** , on several methodologies, methods and /or tested

instruments

**10 points**

b) The strategic optimal approach to handling the legal aspects of increasing share capital and delisting GDRs: step-by-step description are based, **partially**, on several methodologies, methods and/or tested instruments

**5 points**

**1.2. The identification of legal risks and steps proposed to mitigate potential legal risks:**

a)The identification of legal risks and steps proposed to mitigate potential legal risks **based on involvement** in previous similar projects: **10 points**

b)The identification of legal risks and steps proposed to mitigate potential legal risks **partially based in involvement** in previous similar projects: **5 points**

**1.3. The proposed step by step timeline for the project:**

a)The proposed step by step timeline for the project **based on involvement** in similar projects: **10 points**

b)The proposed step by step timeline for the project **partially based on involvement** in similar projects: **5 points**

**2. Project Management Capabilities**

Effective project management is crucial to the timely and successful completion of the share capital increase and delisting GDRs. The evaluation should thus consider the firm's ability to coordinate with various stakeholders, including regulatory bodies, financial institutions, and internal teams.

A paramount criterion is the firm's experience and expertise in corporate law, with a particular focus on share capital increase and delisting GDRs. The evaluation should consider:

**2.1.Team Leader Experience**

Points awarded for participation in projects/contracts where, as team leader, he/she ensured consultancy services project/contract management for share of capital increase and/or delisting GDRs on London Stock Exchange, for the last 5 years– maximum 10 points;

Points are awarded based on the following algorithm:

For minimum 4 projects/contracts **10 points**

For 3 projects/contracts **7 points**

For 2 projects/contracts **4 points**

For a project/contract, the offer is not scored, but is considered compliant.

For 0 projects/contracts, the offer is considered non-compliant.

**Key experts** (two experts: one for Romanian law and one for English law)

Participation in projects/contracts for the increase of share capital and/or delisting GDRs of dual listed companies - maximum 20 points

Points are awarded for each key expert (max. 10 points for an expert on Romanian law, maximum 10 points for an expert on English law), based on the algorithm below.

For minimum 4 projects/contracts/expert **10 points**

For 3 projects/contracts/expert **7 points**

For 2 projects/contracts/expert **4 points**

For a project/contract, the offer is not scored, but is considered compliant.

For 0 projects/contracts, the offer is considered non-compliant.

## **CHAPTER XI Bid Evaluation**

### Successful Bid/ Final Score Calculation Algorithm

The final score of the bid shall be established by summing up the scores related to each evaluation criterion, calculated in accordance with the shown calculation algorithm. The total score awarded for each bid shall be calculated with the following formula:

$P(\text{total}) = P(\text{financial}) + P(\text{technical})$

P financial- score calculated for the financial offer

P technical- score calculated for the technical offer

The bid scoring the highest final points shall be considered the successful bid.

The validity of the submitted binding bid, considered from the bid submission deadline, should be 60 calendar days.

**The validity** of the binding Proposal submitted, considered from the deadline for submitting deadline, should be 60 calendar days.

### **The language that shall govern the relationship with the bidders/the services contract**

All official communication will be in English/Romanian (as the case may be)

**The law that will govern the contract:** the laws of Romania.

In the event the received proposals exceed the allocated budget, ROMGAZ may cancel the procedure, without any compensation or indemnity to the participants.