

No. 15.864/May 3, 2022

ENDORSED**Board of Directors Chairman****Dan Dragoș DRĂGAN**

To,

SNGN ROMGAZ SA GENERAL MEETING OF SHAREHOLDERS**REPORT****on transactions concluded by Romgaz with other public companies****Reasons for reporting**

Pursuant to Article No. 52 paragraph (1) of Government Emergency Ordinance No. 109/2011¹ „The Board of Directors [...] convenes the general meeting of shareholders in order to approve any transaction, if its value, individually or in a series of concluded transactions, is over 10% of the net assets value [...] or over 10% of the revenue ... *with the controlling shareholders or with a company controlled by such shareholders.*”

Also, pursuant to Article No. 52 paragraph (3) of Government Emergency Ordinance No. 109/2011 „ The Board of Directors [...] **informs the shareholders**, during the first general meeting of shareholders, following the legal act, on any transaction concluded by the public company with:

- a) *the persons provided in paragraph (1) and (2) and the value of the transaction below the level established in paragraph (1);*
- b) *another public company or with the public supervisory body, if the transaction's value, individually or in a series of transactions, is at minimum the equivalent value in RON of EUR 100,000”.*

Public company has the following meanings (Article 2 item 2 of Government Emergency Ordinance No. 109/2011):

- a) autonomous administrations established by the state or by a territorial and administrative division;
- b) companies and national companies, companies where the state or a territorial and administrative division is the major or sole shareholder or where it owns control;
- c) companies where one or more public companies provided in letter a) and b) are majority or control holding company.

¹ Government Emergency Ordinance No. 109 of November 30, 2011 on public companies corporate governance as subsequently amended and supplemented.

Concluded transactions

At the end of April 2022, Romgaz signed, in compliance with GEO No. 27/2022², with 9 public companies a number of 9 natural gas sale contracts with an individual value above the equivalent value in RON of EUR 100,000 and which do not fall under the provisions of Article No. 52 paragraph (1) of GEO No. 109/2011 and, therefore, generate the obligation to inform the company's shareholders.

The 9 public companies are presented in the table below:

Item	Public company	Shares held by the Romanian State or a territorial and administrative body
1	SC GAZ NORD EST SA	100% more local councils
2	SC CET Govora SA	100% Vâlcea County Council
3	Local District Heating Company COLTERM SA	100% Timișoara Local Council
4	S Electrocentrale Constanța SA	100% Romanian State through the Energy Ministry
5	SC Modern Calor SA	100% Botoșani Local Council
6	SC Termo Calor Confort SA	99.7274% Pitești Local Council 0.1363% Topoloveni Local Council 0.1363% Mărăcineni Local Council
7	SC Termoficare Oradea SA	99.99% Oradea Local Council
8	SC UTP Giurgiu SA	99.98% Giurgiu Local Council
9	Termoenergetic Municipal Company Bucharest	99.99% Bucharest Local Council

The main characteristics of the natural gas sale signed contracts are as follows:

- ✓ natural gas quantities distributed by the TSO (SNTGN Transgaz SA), in compliance with GEO No. 27/2022, are firm and fixed. For the natural gas quantities not taken over by the Buyer, such Buyer shall pay the Seller a compensatory amount equal to the equivalent value of the natural gas quantities not taken over, calculated as follows: $Q_{\text{not taken over}} \times P_{\text{contractual}}$;
- ✓ delivery point: in VTP (Virtual Trading Point) in the NTS (National Natural Gas Transmission System);
- ✓ price: RON 150/MWh for natural gas delivered to domestic clients suppliers and RON 250/MWh for natural gas delivered to heat producers, and respectively, directly to heat producers, to which the NTS entry tariff, taxes and VAT are added, as the case may be;
- ✓ payment methods:
 - when due, within maximum 30 days as of the invoice issue date, the Buyer submitting a letter of bank guarantee (SGB) covering the equivalent value of delivered natural gas (VAT included) which is to be delivered within any three consecutive months, with the highest quantities within the delivery period May 1 – October 31, 2022, and respectively, November 1, 2022 – March 31, 2023;
 - in advance, with at least 2 working days prior to the beginning of the delivery month.

Details related to the natural gas contracted quantities, their price and value, are presented in the table below:

² GEO No. 27 of March 18, 2022 on measures applicable to end customers on the electricity and natural gas market during April 1, 2022 – March 31, 2023, as well as for amending and supplementing some normative acts within the energy field, as subsequently amended and supplemented.

Item	Buyer		Quantity (MWh)	Merchandise gas price (RON)	Transmission price (RON)	TOTAL value (RON)
	Name	Contract Number				
0	1	2	3	4	5	6=3x(4+5)
1	SC GAZ NORD EST SA	FCC20/2022	17,578.138	150.00	2.13	2,674,162.13
2	CET GOVORA SA	PET13/2022	13,251.012	250.00	2.13	3,340,977.66
3	Local District Heating Company COLTEM	PET14/2022	175,539.895	250.00	2.13	44,258,873.73
4	SC Electrocentrale Constanța SA	PET16/2022	254,984.151	250.00	2.13	64,289,153.99
5	SC Modern Calor SA	PET17/2022	52,183.060	250.00	2.13	13,156,914.92
6	SC Termo calor Confort SA	PET20/2022	116,066.379	250.00	2.13	29,263,816.14
7	SC Termoficare Oradea SA	PET21/2022	465,617.022	250.00	2.13	117,396,019.76
8	SC UTP Giurgiu SA	PET22/2022	16,323.446	250.00	2.13	4,115,630.44
9	Termoenergetic Municipal Company Bucharest	PET23/2022	164,701.432	250.00	2.13	41,526,172.05
*	TOTAL	*	1,276,244.535	*	*	320,021,720.82

Also, Romgaz concluded with SC SNGN Romgaz SA – Natural Gas Storage Subsidiary DEPOGAZ Ploiești SRL two natural gas underground storage contracts, summarized in the table below:

Item	Specificifications	Contract No. 958/2022	Contract No.991/2022
1	Period	April 1, 2022 – March 31, 2023	April 1, 2022 – March 31, 2023
2	Object	Underground storage services for the current internal natural gas production	Underground storage services for the stored gas at the end of 2021/2022 withdrawal cycle
3	Quantity	2,785,825 MWh	2,782,310.66 MWh
4	Tariffs *capacity reservation *injection *withdrawal	RON 11.44/MWh RON 4.50/MWh RON 3.48/MWh	RON 11.44/MWh RON 4.50/MWh RON 3.48/MWh
5	Value (VAT excluded)	RON 54,100,721.50	RON 74,773,800.00
6	Payment conditions	15 calendar days as off the penalties for non-payment invoice is issued: 0.10%/day	15 calendar days as off the penalties for non-payment invoice is issued: 0.10%/day

Draft Resolution

Further to the above mentioned, we submit the following draft resolution for approval:

„The General Ordinary Meeting of Shareholders takes notes of the the Report on the transactions concluded by Romgaz with other public companies.”

**CHIEF EXECUTIVE OFFICER,
Aristotel Marius JUDE**

**Chief Financial Officer,
Răzvan POPESCU**

**Director of the Energy Trade Department,
Radu Costică MOLDOVAN**