

Registration No. 41333/27.10.2022

**To the Ordinary General Meeting of Shareholders of S.N.G.N. Romgaz S.A.**

**ENDORSED**  
**Chairman of the Board of Directors**  
**Dan Dragoș Drăgan**

**REQUEST**  
**for approval**

**of the amendments to the credit facility contract No. 201812070225 for issuing bank  
guarantee letters concluded with Banca Comercială Română S.A.**

### **Background**

Since 2010, S.N.G.N. Romgaz S.A. (hereinafter referred to as “Romgaz” or the “Company”) has concluded annually credit facility contracts referring to granting bank credits in the form of bank guarantee letters with various banking corporations.

For 2019, the company concluded on December 19, 2018 a credit facility contract with BCR within the limit of USD 100 million, this contract was extended annually, the current validity term is December 19, 2022 with a credit facility limit granted for 2022 of RON 350 million, according to the approval received by OGMS Resolution No.12/December 10, 2021.

### **Current Status**

We hereby state that this credit facility contract was concluded with BCR under favourable terms and conditions for S.N.G.N. Romgaz S.A., namely *no costs* related to bank commissions have been incurred (for not using the facility, issuance, validity extension, increase the value

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of bank guarantee letters etc.) without lodging a security (cash collateral deposit or other forms) for granting the facility by issuing bank guarantee letters.

Moreover, we mention below a series of information related to (I) securities necessary for the Company and to (II) the provisions of the contract for acquisition of all shares issued by ExxonMobil Exploration and Production România Limited (hereinafter referred to “EMEPRL”<sup>1</sup>)

## I. Securities

- The estimated value of bank guarantee letters for the contracts to be concluded in 2023 is of approx. RON 420 million, the value is determined subject to Letter No. 31386 of August 24, 2022, send by the Energy Trading Department, with respect to:
  - natural gas sales on double competitive markets. According to the trading procedure, both the seller and the buyer are obliged to set up performance bonds;
  - electricity sales following tenders organised by OPCOM on the Centralised Market for Electricity Bilateral Contracts. The seller has to set up a performance bond;
  - electricity sales by trading on Double Competitive Markets, on the Day-Ahead Market and on the Intraday Market. This requires submission of tender guarantees in favour of OPCOM and BRM, similar to bid bonds;
  - natural gas transmission or gas balancing services. The company is required to issue a payment bond or a performance bond in favour of S.N.T.G.N. Transgaz S.A.;
  - transmission services or for maintaining registration as BRP (Balance Responsible Parties) in favour of C.N. Transelectrica SA.
- The credit facility granted under the contract **does not** provide for a limitation to the issuing of bank guarantee letters for certain transactions, Romgaz has the possibility to request issuance of all types of bank guarantee letters (performance bond, payment bond, bid bonds, letters of guarantee for refund of advance payments and for all types of contracts, including those contracts entered into/carried out by Romgaz Branches (lease contracts for farmlands, lease contracts for locations, concession of natural gas distribution services etc.) fiscal charges etc.
- Such a credit facility is necessary to cover the unforeseen events generated by the instability at legislative level referring to the trading obligation on centralised markets, rapid changes that may occur on trade markets requiring all participants to submit guarantees for all operations using various securities, namely besides bank guarantee letters to use irrevocable standby letters of credit;
- The financial offer received from BCR, registered at Romgaz under No.38488 of October 11, 2022, confirms that all conditions for granting credit facilities in 2023 are maintained, namely the offer does not include costs for Romgaz for the limit of RON 420 million for issuing bank guarantee letters (SGB) or irrevocable standby letters of credit (SBLC).

## II. Provisions of the contract for the acquisition of all shares issued by EMEPRL

S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders approved by Resolution No. 11 of December 10, 2021 the acquisition of all shares issued by (representing 100% of

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<sup>1</sup> On September 22, 2022 S.N.G.N. Romgaz S.A. shareholders decided to change the name ExxonMobil Exploration and Production Romania Limited into Romgaz Black Sea Limited (Resolution No. 9/22.09.2022)

the share capital of) EMEPRL. Moreover, S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders approved by Resolution No.4 April 28, 2022 conclusion of the above mentioned share purchase agreement.

In this respect, we mention the following:

- According to the provisions of the contract signed on May 3, 2022 (hereinafter referred to as „SPA”) related to Romgaz acquisition of all shares issued by EMEPRL, as of the transaction completion date, Romgaz (as buyer) has the obligation to replace the guarantee for renting the building in Bucharest Calea Floreasca 169A) where Romgaz Black Sea Ltd. Performs its activity;
- The credit facility contract concluded with Banca Comercială Română S.A. **does not** give/provide the possibility to issue bank guarantee letters for companies where Romgaz is shareholder/partner;

Therefore, for fulfilling the condition provided by the SPA related to replacing the bank guarantee letter initially issued by Banca Comercială Intesa Sanpaolo România S.A at Exxon Equity Holding Company request, Romgaz resorted to the only existing method for issuing a new bank guarantee letter, by setting up a cash collateral deposit.

Consequently, the new bank guarantee letter issued by Banca Comercială Română at Romgaz request (acting on behalf of EMEPRL) in favour of Floreasca Business Park by setting up a cash collateral deposit of EUR 93,689.40 (guarantee value + 5% exchange rate risk) is bank guarantee letter No. G506327/890, of EUR 89,228.00.

As regards the rent payment guarantee for the building where EMEPRL performs its activity, in order benefit from the favourable conditions of the credit facility contract No. 201812070225 (as previously mentioned and without any additional payment obligations for Romgaz) concluded with Banca Comercială Română, it is necessary to reissue the bank guarantee letter from the credit facility limit.

### Proposals

Considering the above mentioned at items I and II, we deem the following necessary:

- To increase the credit facility limit by RON 70 million, namely from RON 350 million to RON 420 million;
- To extend by 1 year, namely until December 19, 2023, the credit facility contract no. 201812070222, concluded with Banca Comercială Română S.A for issuing letters of bank guarantee to the limit of RON 420 million, considering that the credit contract does not provide setting up or submitting any security by S.N.G.N. Romgaz S.A. (cash collateral deposit or other forms);
- Changing the credit facility award conditions with possibility to issue letters of bank guarantee for securing the rent payment related to the building in Bucharest, Calea Floreasca 169A Building Floreasca Business Park;
- Including as security instruments, besides bank guarantee letters, the irrevocable standby letter of credit.

Also, we mention that:

1. According to the provisions of Article 12 of S.N.G.N. Romgaz S.A Articles of Incorporation paragraph 4 letter g), the Ordinary General Meeting of Shareholders has the authority to approve contracts of bank loans with a value exceeding, individually or cumulated, the equivalent value of EUR 100 million;
2. The limit of RON 420 million for the facility contract for which the extension is requested together with the bank loan of EUR 325 million for the purchase of ExxonMobil Exploration and Production Romania Limited shares, exceed the limit of EUR 100 million established by the Articles of Incorporation Article 12 paragraph 4 letter g);

### III. ROMGAZ Board of Directors Endorsement:

Within the meeting of October 27, 2022 ROMGAZ Board of Directors approved the following:

- a) Increasing the credit facility limit by RON 70 million, namely from RON 350 million to the limit of RON 420 million;
- b) Extending by 1 year the credit facility contract no. 201812070225 concluded with Banca Comercială Română S.A for issuing security instruments such as letters of bank guarantee and irrevocable standby letters of credit to the limit of RON 420 million;
- c) Issuing the letter of bank guarantee in amount of EUR 89,228.00 No. G506327/890, as subsequently amended, at the Lender's (Romgaz) request, in favour of the beneficiary Floreasca Business Park for securing the rent payment obligation for the building where Romgaz Black Sea Limited will perform its activities;
- d) Authorizing Mr. Razvan Popescu, as Chief Executive Officer and Mr. Andrei Bobar, as Chief Financial Officer to sign the Addendum to the credit facility contract no. 201812070225 for year 2023;
- e) Authorizing the persons with signature right type I and II at Banca Comercială Română to sign the applications for issuing and amending security instruments (SGB, SBLC) related to the facility granted by Banca Comercială Română S.A., as well as any other documents related to the credit contract, regardless of their form, including, without limitation to addenda, applications for draw-down/issuing/amending.

### IV. Draft resolution submitted for S.N.G.N. ROMGAZ S.A. OGMS approval

Considering the above we submit for the approval of S.N.G.N. ROMGAZ S.A. Ordinary General Meeting of Shareholders the following:

#### Art. 1

To increase the credit facility limit by RON 70 million, namely from RON 350 million to RON 420 million.

#### Art. 2

To extend by 1 year the credit facility contract no. 201812070225 concluded with Banca Comercială Română S.A for issuing security instruments as bank guarantee letters and irrevocable standby letters of credit to the limit of RON 420 million.

**Art. 3**

To issue the bank guarantee letter in amount of EUR 89,228.00, with no. G506327/890, as subsequently amended, at the Lender's (Romgaz) order, in favour of the beneficiary Floreasca Business Park for securing the rent payment obligation for the building where Romgaz Black Sea Limited will perform its activities.

**Art.4**

To authorize Mr. Razvan Popescu, as Chief Executive Officer and Mr. Andrei Bobar, as Chief Financial Officer to sign the Addendum to the credit facility contract no. 201812070225 related to year 2023.

**Art. 5**

Authorizing the persons with signature right, type I and II at Banca Comercială Română to sign the applications for issuing and amending security instruments (SGB, SBLC) related to the facility granted by Banca Comercială Română S.A., as well as any other documents related to the credit contract, regardless of their form, including, without limitation to addenda, applications for draw-down/issuing/amending.

Chief Executive Officer  
Răzvan POPESCU

Chief Financial Officer  
Andrei BOBAR

Finance Director  
Andrei NOVAC

Legal Director  
Endre IOO

Drafted by  
Head of Office  
Ildiko DAVID