

No. 45855/23.11.2022

Dan Dragoș DRĂGAN
Chairman of the Board of Directors

To the Extraordinary General Meeting of Shareholders of S.N.G.N. Romgaz SA.

Request to conclude lease contracts of fixed assets between S.N.G.N. Romgaz S.A. and Filiala de Inmagazinare Gaze Naturale DEPOGAZ Ploiesti S.R.L.

1. Brief history

In order to fulfil the obligation to comply with the European and national laws, by EGMS Resolution No. 10 of December 19, 2014, S.N.G.N. Romgaz S.A. chose as means of unbundling - to establish a subsidiary owned 100%, with the scope of activity the underground storage of natural gas, namely the entire activity carried out at that time by Romgaz Ploiesti Branch.

The Subsidiary was established in August 2015, under the Articles of Incorporation approved by Romgaz OGMS Resolution No. 2 of March 18, 2015 and it was registered at Trade Register Office Prahova under the name “SNGN Romgaz S.A. – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L.”

Following the endeavours made by Romgaz at ANRE (the National Energy Regulatory Authority) the proposed legal and operational unbundling model was agreed. ANRE ascertained that the Subsidiary had the capacity to carry out the storage activity and by Decision issued by ANRE President No. 2588 of December 30, 2015, License No. 1942/2014 was amended in order to change its titleholder, namely from S.N.G.N. Romgaz S.A. to S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L.

The transfer to Filiala Depogaz of the right to use the assets necessary to carry out the underground storage activity is scope of the Lease Contract of fixed assets included in the Annexes to the License No. 19575/March 28, 2018 and of Lease Contract of fixed assets not included in the Annexes to the License No. 19576/March 28, 2018, both concluded for 1 (one) year and extended by addenda for a total term of 36 months, until March 31, 2021.

2. Current status

In April 2021, S.N.G.N. Romgaz S.A. – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești S.R.L. right to use the assets held by S.N.G.N. Romgaz S.A. was scope of two new contracts, Lease Contract of fixed assets included in Annexes of License No. 31655/01.04.2021 and Lease Contract of fixed assets not included in Annexes of License No. 31657/01.04.2021, both concluded for 9 months. The company’s GMS decided by EGMS Resolution 11/December 10, 2021 to extend the two lease contracts by addenda for a period of 12 months **until December 31, 2022.**

In June and July 2022, Romgaz Board of Directors approved by Resolutions 37/2022 and 49/2022 decommissioning of fixed assets which have exceeded their normal lifespan and which are worn out and obsolete and can no longer be operated safely.

In order to further regulate the use of fixed assets held by S.N.G.N. Romgaz S.A. we propose the conclusion of **Lease Contract of fixed assets included in the License Annexes and the Lease Contract of fixed assets not included in the License Annexes**, for a period of 12 months, namely until December 31, 2023 (the drafts of both lease contracts are attached hereto). The annexes of the new contracts were harmonised with Board Resolutions 37/2022 and 49/2022 on the approval to decommission S.N.G.N. Romgaz S.A. fixed assets and reflect the current situation as regards operational fixed assets.

The tariffs for the fixed assets lease to S.N.G.N. Romgaz S.A. – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L. provided by the Economic Department to the Assets Management Office by letter 39238/October 14, 2022 are shown in the table below:

Item No.	Contract	Previous Tariff (VAT excluded)	New Tariff (VAT excluded)
1.	<i>Lease Contract of fixed assets included in the Annexes to License No. 1942/2014</i>	RON/month 6,574,315	RON/month 6,406,364
2.	<i>Lease Contract of fixed assets not included in the Annexes to License No. 1942/2014</i>	RON/month 2,036,632	RON/month 2,019,560

The two lease contracts (attached hereto) become effective on January 01, 2023, conditional upon their approval by the Extraordinary General Meeting of Shareholders of S.N.G.N. Romgaz S.A. and shall be valid for 12 months, namely until December 31, 2023.

We state that, if S.N.G.N. Romgaz S.A. Extraordinary General Meeting of Shareholders initiates and approves the procedure to increase the subsidiary's share capital in kind, on completion of such procedure, the above mentioned contracts shall terminate (if these are in progress).

3. Draft Resolution

Whereas:

- The above provided information regarding the lease of assets necessary for carrying out underground storage activities by S.N.G.N. Romgaz S.A. – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L.;
- The provisions of Article 12, item "o" of S.N.G.N. Romgaz S.A Articles of Incorporation mentioning that *"the conclusion of lease contracts with a duration exceeding 1 (one) year, referring to tangible assets having individual or cumulative value, with respect to the same co-contractor or persons involved or acting in a concerted manner, exceeds 20% of the total tangible asset value, less receivables, as of the signing date of the legal act, lies within the competence of the Extraordinary General Meeting of Shareholders"*;
- S.N.G.N. Romgaz S.A. Board of Directors endorsed the conclusion of the two lease contracts for a period of 12 months, as of January 01, 2023;

We hereby propose the approval of the following draft resolution:

Approval to conclude the two lease contracts of fixed assets, between S.N.G.N. Romgaz S.A. and S.N.G.N. Romgaz S.A. - Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti S.R.L. for a period of 12 months, as of January 01, 2023.

Attached hereto:

- ANNEX 1 – Lease contract of fixed assets included in the Annexes to License No. 1942/2014;
- ANNEX 2 – Lease contract of fixed assets not included in the Annexes to License No. 1942/2014;

Chief Executive Officer
Răzvan POPESCU

Chief Financial Officer
Andrei BOBAR

Deputy Chief Executive Officer
Aristotel Marius JUDE

Accounting Department Director
Marius VEZA

Legal Department Director
Endre IOO

Head of Patrimony Office
Victor Cristian MARIAN