

No. 16426/ April 24, 2023

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

To the General Meeting of Shareholders

**REPORT**  
**on certain transactions conclude by SNGN ROMGAZ SA with other public enterprises**

Pursuant to Article 52, par. (1) of Government Emergency Ordinance (GEO) No. 109/2011<sup>1</sup> “*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, exceeds 10% of the net assets value [...] or exceeds 10% of the revenue ... with the controlling shareholders or with a company controlled by such shareholders*”.

Moreover, pursuant to Article 52 par. (3) of GEO No. 109/2011 “*The Board of Directors [...] informs the shareholders at the first General Meeting of Shareholders following the legal act on any transaction concluded by the public enterprise with:*

- a) *the persons provided in paragraph (1) and (2), and the value of the transaction does not exceed the level established in paragraph (1);*
- b) *another public enterprise or with the public supervisory authority, if the transaction has a value, individually or in a series of transactions, of at least the equivalent in RON of EUR 100,000”.*

Public enterprise has the following meaning (Article 2 item 2 of GEO No.109/2011):

- a) autonomous regies established by the state or a territorial administrative unit;
- b) national companies where the state or a territorial administrative unit is sole or majority shareholder or controls such companies;
- c) companies where one or more public enterprises provided at items a) and b) have a majority or a controlling stake.

In late March 2023, Romgaz concluded with eleven public enterprises, in accordance with the provisions of GEO No. 119/2022, eleven gas sale contracts, each with an individual value exceeding the equivalent in RON of EUR 100,000, and which do not fall under the provisions of Article 52 par.(1) of GEO No.109/2011, therefore giving rise to the obligation to inform the shareholders.

The table below shows those eleven public enterprises:

<sup>1</sup> GEO No. 109 of November 30, 2011 on Corporate Governance of Public Enterprises, as subsequently amended and supplemented

Crt. No.	Public Enterprise	Share of the Romanian State or a Territorial Administrative Unit Shareholder
1	SC TERMO PLOIESTI SRL	100% the Local Council of the Municipality of Ploiesti
2	SC TERMOFICARE ORADEA SA	99,99% the Local Council of the Municipality of Oradea
3	SNTGN TRANSGAZ SA	58,50% the Romanian State through SGG
4	COMPANIA TERMOENERGETICA	99,99% the General Council of the Municipality of Bucharest
5	SC ELECTROCENTRALE CONSTANTA SA	100% the Romanian State through the Ministry of Energy
6	SC COLTERM SA TIMISOARA	100% the Local Council of the Municipality of Timișoara
7	SC TERMO CALOR CONFORT SA	99,7274% the Local Council of the Municipality of Pitești
8	SC MODERN CALOR SA BOTOSANI	100% the Local Council of the Municipality of Botoșani
9	CET GOVORA SA	100% the County Council of Vâlcea
10	UTP GIURGIU	99,98% the Local Council of the Municipality of Giurgiu
11	SC GAZ NORD EST HARLAU	100% several Local Councils

The main features of the concluded gas sale contracts are the following:

- ✓ natural gas quantities allotted by TSO (SNTGN Transgaz SA), in accordance with GEO No.119/2022, are firm and fixed. The Buyer shall pay to the Seller for the natural gas quantities not taken a compensatory amount equal to the equivalent value of natural gas not taken, calculated as follows:  $Q_{\text{not taken}} \times P_{\text{contractual}}$ ;
- ✓ Delivery Point: in the VTP (Virtual Transaction Point) of the NTS (National Transmission System of Natural Gas);
- ✓ Price: in accordance with the provisions of GEO 119/2022;
- ✓ Payment:
  - When due, not later than 30 days from invoice issuance date, with the Buyer submitting a Bank Letter Guarantee (BLG) with a value that has to cover the equivalent value of natural gas (VAT included) to be delivered in any three consecutive months with the highest quantities within the delivery period;
  - advance payment, no later than two days prior to start of delivery month.

### Draft Resolution

*Following the above mentioned, we hereby submit for approval the following draft resolution:*

***“The Ordinary General Meeting of Shareholders takes note of the Report on certain transactions concluded by SNGN Romgaz SA with other public enterprises.”***

**Chief Executive Officer  
Răzvan POPESCU**

**Chief Financial Officer  
Gabriela TRÂNBIȚAȘ**

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