

To:
The General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A.

Endorsed,
Chairman of the Board of Directors,
Dan Dragoş Drăgan

REQUEST FOR APPROVAL
on taking legal action against Mr. Adrian Constantin Volintiru
to recover the amount of RON 412,889 representing the total value of reimbursement of the
equivalent value of rent and/or utilities that certain employees benefited from in addition to the rights
provided by the Collective Labour Agreement

I. De facto situation

In the period December 28, 2021 - July 29, 2022 SNGN ROMGAZ SA was subject to a verification carried out by the Prime Minister's Control Body, focused on:

1. verifying compliance with legal provisions, internal rules on the organization and functioning of the company and corporate governance rules;
2. verifying compliance with legal provisions, internal rules on conclusion and performance of contracts;
3. other aspects considered relevant by the control team.

Following such verification, Report No. 6292/August 11, 2023 was prepared revealing that during the period under control, certain employees benefited from a reimbursement of the equivalent value of rent and/or utilities pursuant to certain addenda to the individual employment contracts and in addition to the rights provided by the Collective Labour Agreement.

Conclusions of the Report provide as follows:

"(...) in conclusion, by comparing the presented de facto situation with the applicable regulatory framework, it is found that the right of SNGN ROMGAZ SA employees to have the equivalent value of rent and utilities, where applicable, reimbursed should have been subject to collective negotiation within the collective labour agreement, ensuring equal opportunities and treatment for employees, in breach of Article 37 and Article 39 paragraph (1) letter d) of the Labour Code republished, as subsequently amended and supplemented."

Considering the conclusions of the Report, Plan of Measures No. 32519/August 23, 2023 on the implementation of recommendations for remediation notified by the Prime Minister's Control Body ordering measures for the recovery of amounts granted as equivalent value of rent and utilities as follows:

“To continue the efforts to recover the amounts granted to certain ROMGAZ employees, as the equivalent value of rent and utilities, in breach of the legal and statutory provisions in force, the following measures shall be taken:

a) within 5 days from the approval of this Plan of Measures, the Human Resources Department shall inform the Legal Department, by letter, on the summary of rents reimbursed pursuant to addenda to individual employment contracts.

b) the Legal Department shall analyse the information thus provided and shall submit to the Chief Executive Officer an opinion on how to recover the amounts granted in breach of the legal and statutory provisions, within 14 days from receipt.

c) based on the above-mentioned legal opinion and the prior approval of the Chief Executive Officer the established effective measures shall be carried out (notifications, actions in court, etc.).”

II. Steps taken to this day

Following an in-house analysis, it was decided to notify the former SNGN Romgaz SA CEO, Mr. Adrian Constantin Volintiru, in view of the Mandate Contract registered under no. 21683/October 10, 2018 for the position of CEO which he held until the adoption of BoD Resolution No. 1/January 13, 2021.

The legal basis underlying such Resolution is Article 1350 of the Civil Code on contractual liability, corroborated with Article 2018 paragraph (1), thesis I of the Civil Code on the agent's due diligence, Article 8 paragraph (1) Chapter VII - CEO's Obligations under the Mandate Contract No. 21683/October 10, 2018 and Article 2, item i) of BoD Resolution No. 49/2018 setting forth the duties of the CEO.

Based on the provisions of BoD Resolution No. 49/2018, Mr. Volintiru, as CEO, had the power to negotiate the provisions of both the Collective Labour Agreement and the individual employment contracts concluded by the company. Moreover, under the provisions of said document, the CEO was also empowered to negotiate the salary costs by complying with the provisions of the Collective Labour Agreement.

“Negotiates the Collective Labour Agreement and the individual employment contracts by complying with the provisions of the Collective Labour Agreement - salary and social costs and limits of funds provided in the Income and Expenditure Budget approved by the General Meeting of Shareholders of the Company - BoD Resolution No. 49/2018, Article 2, item i).

Therefore, by negotiating the addenda to the individual employment contracts, reimbursements of the equivalent value of rent and/or utilities were negotiated without legal grounds, outside the provisions of the Collective Labour Agreement, thus resulting in a damage caused to the company in net amount of RON 412,889.

Pursuant to the provisions of Article 8 paragraph (1) Chapter VII CEO's Obligations under the Mandate Contract No. 21683/October 10, 2018, which includes the provisions of Article 2018 paragraph (1) thesis I of the Civil Code, if the mandate is onerous, the agent is bound to execute the mandate with the due diligence of a good owner, being liable to the principal for his errors.

Moreover, for the damage caused to the company, under the concluded contract and taking into account the provisions of Article 1350 of the Civil Code on contractual liability, the contractual debtor is liable for the damage caused to the other party.

Considering the aforementioned, a notification was prepared and sent to Mr. Adrian Volintiru, through SCPEJ Tamas și Suci, on the payment of RON 412,889 representing the total net amount of the reimbursement of the equivalent value of rent and/or utilities of which a number of employees benefited from in addition to the rights provided under the Collective Labour Agreement.

Mr. Adrian Constantin Volintiru did not comply with the payment notification sent by the Company.

The legal department of the Company proceeded to sending notifications of payment also to the employees who benefited from the reimbursement of the equivalent value of rent and/or utilities.

Considering that they did not undertake any action to make any payments to the Company, it was decided to file a legal case against the employees/former employees in order to recover the amounts representing the reimbursement of the equivalent value of rent and/or utilities. Case file no. 888/85/2024 was initiated before Sibiu County Court of Law.

Regarding a potential legal action against the former CEO, this may take the form of an action on grounds of liability against the CEO provided for in Article 155 of Law No. 31/1990 for damages caused to the company, based on the Mandate Contract concluded on October 9, 2018.

As provided by Article 155 of Law No. 31/1990, " the legal action on grounds of liability against founders, directors, managers, or the members of the directorate and supervisory board, as well as censors or financial auditors for damages caused by them by breaching their obligations to the company shall pertain to the general meeting, which shall decide by the majority stipulated in Article 112. "

Thus, according to paragraphs (1) and (2) of Article 155 of Law 31/1990, to exercise this action, it is necessary for the General Meeting of Shareholders to adopt a resolution in this respect, which must also decide expressly on the person in charge of taking the legal action.

Nevertheless, the legal practice found that this action has a subsidiary and residual nature, namely:

- it can be exercised if a prior action was initiated against employees to recover the amounts unduly paid - this condition is fulfilled, as case files No. 888/85/2024 pending before Sibiu Court of Law.
- it can be exercised only for amounts not recovered from the employees.

In relation to this aspect, the trial of an eventual action should be suspended until the final settlement of case files initiated against employees, and carried out for the amounts that could not be recovered from them.

Considering the above, and fulfilment of conditions on the initiation of legal action against Mr. Adrian Constantin Volintiru, former CEO of SNGN Romgaz S.A. we request the urgent convening of S.N.G.N. Romgaz S.A. GMS in order to approve initiation of court proceedings against Mr. Adrian Constantin Volintiru to recover the amount of RON 412,889, representing the total net amount of reimbursements of rent and/or utilities from which a number of employees have benefited without legal grounds.

Draft of resolution:

„In consideration of Request for Approval No. 28443/08.07.2024, S.N.G.N. Romgaz S.A. General Meeting of Shareholders approves legal action to be taken against Mr. Adrian Constantin Volintiru to recover the amount of RON 412,889, representing the total net amount of reimbursements of rent and/or utilities from which a number of employees have benefited without legal grounds. At the same time, the General Meeting of Shareholders approves taking legal action against Mr. Adrian Constantin Volintiru by S.N.G.N. Romgaz S.A. own legal department.”

Chief Executive Officer
S.N.G.N. ROMGAZ S.A.
Razvan POPESCU

Heard of Legal Office,
Monica STAFIE

Prepared by,
Laura FERENTZ MICU
Legal Advisor