

Translation from the Romanian language into English

Registration no.24106/August 3, 2020

Approved,

CEO
Constantin Adrian VOLINTIRU
Signature

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

**Request for approval
to conclude the Addendum no 13/2020 to Gas Sales Contract no. 8/2016 concluded with
Electrocentrale Bucuresti SA**

Short history

Since July 29, 2016 until September 2020, the business relationship between SNGN Romgaz SA Medias and Electrocentrale Bucuresti SA related to gas supply to non-households has been carried out/carries out under Gas Sales Contract no.8/2016 and successive Addendums (no1-no12).

Taking into account:

- Ruling of Bucuresti Court -Civil Section VII as of October 10, 2016, on case file no. 35304/3/2016, pursuant to Article 71, paragraph 1 of Law no 85/2014 by which the general procedure of insolvency against the debtor ELECTROCENTRALE BUCURESTI SA has been initiated;
- Contract no.8/2016 supplemented by Addendums on gas supply ongoing between July 2016 and September 2020;
- Article 77 of Law 85/2014 in conjunction with the provisions of Article 5, paragraph (1) item 10 of Law 85/2014;
- Final Resolution no. 1239/July 14, 2017 of Appeal Court Bucuresti -Civil Section VII on case file no. 35304/3/2016;

- In the contractual relationship between ROMGAZ and ELCEN, since the initiation of the general procedure of insolvency against ELCEN, the provisions of Article 77, paragraph (1) of Law 85/2014 are applicable and, consequently, during the observation period and reorganization period of ELCEN, ROMGAZ is required to not change, refuse or temporarily interrupt the supply of natural gas to ELCEN. Given this obligation to continue to supply with natural gas in the observation and reorganization period of ELCEN, the contractual relationship between ROMGAZ and ELCEN has been naturally extended by successive addendums which have agreed the quantities of gas for every gas year and the price of this product;
- In June 2020, the representatives of these companies have negotiated the extension of gas supply for non-households and PET (Thermal energy producers), negotiations ended with the conclusion of gas sales contract for PET no 35/2020 for the period between July 2020 and September 2021. For non-households gas category, SNGN Romgaz SA Medias sent the draft of the Addendum no. 13/2020 to Gas Sales Contract no.8/2016, to Electrocentrale Bucuresti SA, a draft assumed and signed by Electrocentrale Bucuresti SA, taking into consideration the provisions of Law 85/2015 on insolvency and the captive quality of Electrocentrale Bucuresti SA established by Courts resolution.

Under these circumstances, gas supplies to Electrocentrale Bucuresti SA are carried out pursuant to the similar contractual provisions in force by the time of declaring the captive state, the sole contractual element negotiated is the price for gas supply.

Current Status

By the date of this report, gas supply to Electrocentrale Bucuresti SA is made in accordance with the provisions of gas sales contract no.8/2016. Since the date of insolvency until the present date, Electrocentrale Bucuresti does not have any outstanding debts related to gas supplied by SNGN Romgaz sa Medias.

Since the contractual period (October 2019-september 2020) until present day, SNGN Romgaz SA invoiced the amount related to gas supplied up to and including June 2020 to Electrocentrale Bucuresti SA, the value of gas was RON 362, 899, 239.52. Out of the total value, the amount of RON 261,827,802.41 has been received, the difference of RON 101,071,437.11 representing the invoices issued and due for payment.

The estimated value of the legal act intended to be concluded is of **RON 441,962,483.20**. The value of concluded legal acts (gas sales contract no. 35/2020)/intended to be concluded (Addendum no.13/2020 to Contract 8/2016) with Electrocentrale Bucuresti SA for the period between July 2020 and September 2021 is of approximately **RON 902,346,534.43**, exceeding the threshold stipulated by GEO 109/2011.

Proposals

Taking into account:

- The information described above regarding the conclusion of the Addendum no. 13/2020 to Gas Sales Contract no.8/2016 with Electrocentrale Bucuresti SA
- Legal provisions of GEO 109/2011 Article 52, paragraph 1
- That all legal conditions are met and the amounts/value fall under/are set out in the Budget of revenue and expenditures for 2020 approved.

we hereby submit for approval to the Ordinary General Meeting of Shareholders the following proposal:

The Ordinary General Meeting of Shareholders approve the conclusion of the Addendum no.13/2020 to gas Sales Contract no.8/2016 concluded with Electrocentrale Bucuresti SA.

**Director of Energy Commercialisation Department
Vasile Ciolpan**