

No. 3112/ January 25, 2022

To

The GENERAL MEETING OF SHAREHOLDERS

REQUEST OF APPROVAL

on transferring quantities covered by the Gas Sale and Purchase Agreement No. 8/2016 concluded with *Electrocentrale Bucuresti S.A.*

A. Brief History

From October 1, 2021, the trade relationship between SNGN Romgaz SA (Romgaz) and the company Electrocentrale Bucuresti SA (ELCEN) on natural gas delivery is carried out under the Gas Sale and Purchase Agreement No. 8/2016 as modified and supplemented by subsequent Addenda, the latest of which is Addendum No. 14/2021.

B. Transferring a part of the gas quantities purchased by ELCEN from Romgaz under the Agreement No. 8/2016 and the Addenda thereto, during the period January – April 2022, to *SC Vest-Energ SA (Vest-Energ)* and *Compania Municipala Termoenergetica SA (Termoenergetica)*

On January 6, 2022, ELCEN has informed us, by letter No. 664 (registered with Romgaz under No. 677 of January 7, 2022), that “the two thermal power producers” – *Vest-Energ* and *Termoenergetica*, have requested the transfer of a part of the gas quantities purchased by ELCEN from Romgaz under the Agreement No. 8/2016 and the Addenda thereto for the period January – April 2022, stating that such quantities will be used to secure the thermal power demand of the Municipality of Bucharest.

According to those mentioned in the above letter, the requests are made pursuant to the provisions of item 175 of the GEO No. 143/2021 supplementing Article 145 of Law No. 123/2012, by adding Item 6, which reads as follows:

“(6) Until April 30, 2022, the final customers, thermal power producers using natural gas, are entitled to transfer under the same contractual conditions a part of the purchased gas quantity to other thermal power producers within the same administrative - territorial unit”.

It is noted that Article 145 of Law No.123/2012 governs the “Final Gas Customer’s Obligations and Rights”.

On January 7, 2022, ELCEN transmitted to Romgaz the draft contracts on transferring a part of the gas quantity to Vest-Energ and Termoenergetica, under which ELCEN is to transfer several quantities from the gas quantities covered by the Gas Sale and Purchase Agreement No. 8/2016 as modified and supplemented by subsequent Addenda, to the two companies (total quantity transferred to Vest-Energ amounting to 125,361 MWh during the period January – April 2022;

the quantity transferred to Termoenergetica amounting to 135.581 MWh during the period January – April 2022), under the same contractual conditions (total quantity transferred to Vest-Energo amounting to 125,361 MWh during the period January – April 2022; the quantity transferred to Termoenergetica amounting to 135,581 MWh during the period January – April 2022), except for several provisions on payment, where the payment term within 90 days, as required by Law No. 85/2014 on insolvency prevention procedures and insolvency is modified into advance payment, previous to gas delivery, bearing in mind ELECEN's status as Romgaz's captive consumer.

The need to transfer is reasoned by ELCEN through the requests of Termoenergetica and Vest-Energo, which were brought to the attention of Romgaz, made under the provisions of Law No. 123/2012, as modified by GEO No.143/2021.

Hence, Romgaz Board of Directors, after considering ELCEN's proposal in the meeting of January 17, 2022, approved Romgaz to conclude and sign the two transfer contracts (which were signed on January 19, 2022) with Termoenergetica and Vest_Energo, respectively, on transferring a part of the gas quantity covered by the Gas Sale and Purchase Agreement No. 8/2016, as modified and supplemented by subsequent Addenda, such contracts to be subjected to the ratification/approval by the General Meeting of Shareholders.

C. Proposals

Bearing in mind:

- ☞ the provisions of Article 145 paragraph (6) of Law No. 123/2021 as modified by GEO No. 143/2021;
- ☞ that the Gas Sale and Purchase Agreement No. 8/2016 has been modified by subsequent Addenda subjected to the approval of the General Meeting of Shareholders, under the legal provisions of Article 52, paragraph (1) of GEO NO. 109/2011 as subsequently modified and supplemented;

We hereby submit for approval to the General Meeting of Shareholders the following draft resolution:

The General Meeting of Shareholders ratifies/approves the contracts on transferring gas quantities covered by the Gas Sale and Purchase Agreement No 8/2016, as modified and supplemented by subsequent Addenda, concluded with *Compania Municipala Termoenergetica Bucuresti* and *S.C. Vest-Energo S.A.*

**Chairman of the Board
Dan Dragoş DRĂGAN**

**Chief Executive Officer
Aristotel Marius JUDE**

**Chief Financial Officer
Răzvan POPESCU**

**Director of Legal Department
Endre IOO**