

No. 19616/ May 30, 2022

To,

SNGN ROMGAZ SA GENERAL MEETING OF SHAREHOLDERS**REPORT****on certain transactions concluded between Romgaz and other public companies****Reasons for reporting**

Pursuant to art. no. 52 par. (1) of Government Emergency Ordinance No. 109/2011¹ "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 art. no. 52 par. (3) of Government Emergency Ordinance No. 109/2011 "The Board of Directors [...] **informs the shareholders**, during the first general meeting of shareholders following the legal act, on any transaction concluded by the public company with:

- the persons provided in paragraph (1) and (2) and the value of the transaction is below the level established in paragraph (1);
- another public company 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".

Concluded Transactions

Pursuant to Government Emergency Ordinance no. 27/2022, as gas sale obligation of Romgaz, the TSO (SNTGN Transgaz SA) allocated, the entire quantity of available natural gas including the natural gas scheduled to be injected by Romgaz, in underground gas storages during May-October 2022.

As a result, on May 1, 2022, Romgaz and SC SNGN Romgaz SA – Filiala de Înmagazinare Gaze Naturale DEPOGAZ Ploiești SRL concluded Addendum no. 1 to the Underground Gas Storage Contract no. 958/2022 reducing the booked capacity by 2,397,251.84 MWh, to 388,573.160² MWh.

Below is a summary of the provisions of the Addendum:

Item no.	Specifications	Contract no. 958/2022	Addendum no. 1/2022
1	Term	April 1, 2022 – March 31, 2023	May 1, 2022 – March 31, 2023
2	Scope	Provision of underground storage services for gas from current domestic production	Provision of underground storage services for gas from current domestic production
3	Quantity	2,785,825 MWh	388,573.160 MWh
4	Tariffs *capacity booking *injection *withdrawal	RON 11.44/MWh RON 4.50/MWh RON 3.48/MWh	RON 11.44/MWh RON 4.50/MWh RON 3.48/MWh
5	Price (excluding VAT)	RON 54,100,721.50	RON 7,546,090.77
6	Payment terms	15 calendar days from the date of invoice. Non-payment penalty: 0.10%/day.	15 calendar days from the date of invoice. Non-payment penalty: 0.10%/day.

¹ Government Emergency Ordinance No. 109 of November 30, 2011 on corporate governance of public companies as subsequently amended and supplemented.

² The quantity of 2,782,310.66 MWH natural gas remaining from 2021-2022 storage cycle is subject to another storage contract.

We emphasize that, pursuant to Contract no. 958/2022, Romgaz transferred 2,397,251.84 MWh of the booked capacity to the Local Heating Company COLTERM, SC Termoficare Oradea SA, SC Modern Calor SA Botoșani and SC E.ON Energie România SA.

In accordance with the schedule concerning the capacity booking process at the entry/exit points of the national gas transmission system, for 2021-2022 gas year, Romgaz and the TSO (SNTGN Transgaz SA) concluded Contract no.84/2021 pursuant to which annual transmission capacity was booked at the exit points of the NTS.

Depending on the natural gas demand at the exit points of the NTS and in order to optimize the costs of capacity bookings relating to transmission services, Romgaz transferred and took transmission capacities to/from other NTS users.

Consequently, pursuant to the Network Code of the National Gas Transmission System approved by the Order no.16/2013 of the President of the National Authority for Energy Regulations (NAER), Romgaz and SNTGN Transgaz SA concluded Contract no. 513L/2022 and 11 Addenda to Contract no. 84/2021 during April 1 – May 2, 2022.

Below is a summary of concluded transactions:

Denumire act juridic		Obiectul contractului	Durata	Capacitate de transport - MWh			Valoare lei fără TVA		
Contract	Act Adițional			cedată	preluată	returnată			
84/2021	20/2022	prestarea serviciilor de transport al gazelor naturale la ieșirea din SNT	01.10.2021 - 01.10.2022	55.050,00	260,00		-100.813,60		
	21/2022				250,00		460,00		
	22/2022				240,00		441,60		
	23/2022				100,00		184,00		
	24/2022						100,00	0,00	
	25/2022					50,00		92,00	
	26/2022					125,00		230,00	
	27/2022					270,00		496,80	
	28/2022					5.670,00		10.432,80	
	29/2022					156.920,00	300,00		-288.180,80
	30/2022						330,00		607,20
513L/2022	2/2022		01.04.2022-30.04.2022	225,00			-339,75		

Transmission contracts are framework contracts and have the following characteristics:

- ✓ The scope of contract is provision of natural gas transmission services designating the activities and operations carried out by the TSO for or in connection with transmission capacity booking at the entry/exit points of the NTS and transmission through the National Transmission System (NTS) of gas quantities, expressed in units of energy, to the entry/exit points of the NTS;
- ✓ Contract term: annual, quarterly or monthly;
- ✓ Applicable tariffs: in accordance with Order 32/May 26, 2021 approved by NAER;
- ✓ Payment: within 15 calendar days from the date of invoice.

Draft Resolution

Further to the above mentioned, we submit the following draft resolution for approval:

„The Ordinary General Meeting of Shareholders takes note of the Report on certain transactions concluded between Romgaz and other public companies.”

**BOARD OF DIRECTORS CHAIRMAN,
DAN DRAGOȘ DRĂGAN**

**CHIEF EXECUTIVE
OFFICER,
Aristotel Marius JUDE**

**CHIEF FINANCIAL
OFFICER,
Răzvan POPESCU**

**ENERGY TRADE
DIRECTOR,
Radu Costică MOLDOVAN**