

Endorsed
President of the Board of Directors
Dan Dragoș DRĂGAN

To: SNGN Romgaz S.A. General Meeting of Shareholders

Subject: Procurement of legal services for concluding and implementing rating services contracts and for securing external financing, and for acquiring participations/assets from natural gas distribution companies

REQUEST FOR APPROVAL
for the procurement of legal services

1. Context generating the necessity for legal services:

1.1 Necessity for legal consultancy for rating and external financing services:

In 2022, SNGN Romgaz SA (Romgaz) acquired ExxonMobil Exploration and Production Romania Limited (current name: Romgaz Black Sea Limited) which owns 50% of rights and obligations provided in the Petroleum Agreement for Deep Water Zone of Neptun XIX offshore block in the Black Sea. Currently, the development phase of Neptun Deep block is undergoing the final drafting stage, and FID is expected at the end of H1 2023.

Development of Neptun Deep block requires significant funding, which Romgaz will secure from own sources and from attracted sources.

In 2023, SNGN Romgaz SA - Depogaz (UGS Subsidiary) concluded a EUR 38 million grant agreement with the European Climate, Infrastructure and Environment Executive Agency to increase daily withdrawal capacity of Bilciuresti UGS. The Project's estimated value is EUR 110.5 million.

Currently, Romgaz is drafting the business plan for Romgaz Group (consisting of Romgaz, Depogaz and Romgaz Black Sea Limited), and explores funding options it can access to support investments and current activities (several forms of bank loans such as credit lines or long-term loans, bond issue etc.) and relating financing conditions.

The financing structure Romgaz is required to access is highly complex, the crediting standards are at international level (as is the case of contract model form issued by Loan Market Association). In terms of bond issue, the procedure implies the establishment of a listing consortium, which includes lawyers, specialized in these types of transactions. Romgaz legal structure does not have the required experience to contract and to implement such operations.

In order to secure the best financing costs, Romgaz is required to contract rating services from a renowned

company. In terms of rating services, the relating contract to be concluded with the rating agency will not be governed by the Romanian law. As such, the company requires legal services for negotiation and execution of rating services agreement. Romgaz employed legal counsellors are not authorized to interpret foreign legislation. Also, the rating process is complex, and the company needs legal and financial services specialized in this type of process.

1.2 Necessity for legal consultancy to acquire interests/assets of natural gas distribution companies

SNGN Romgaz SA developed the company's 2021-2030 Strategy with a different approach, establishing new lines of action for developing the activity. One action is to "assess the feasibility to make new investments/acquisitions and implementing projects in the distribution sector".

Moreover, 2021-2024 Government Program provides energy security as the essential scope of the new energy policy. The chapter dedicated to the Ministry of Energy, section 2022-2024 Strategic Investments, provides as one of the objectives: "Collaboration Partnership between SNGN Romgaz S.A., UAT Drobeta Turnu Severin and Mehedinti Gaz S.A. for developing thermal points for heat production, and for extension of natural gas distribution system to secure continuity of heat supply for the entire Drobeta Turnu Severin town".

Given this context, the company carries out an opportunity assessment, and analysis of possible solutions in connection with a potential acquisition of assets held by S.C. Mehedinti Gaz S.A., operator of the public natural gas distribution service for Drobeta Turnu Severin town. The company's legal structure has no experience to implement such operations, and with the scope of avoiding any legal risks, which could adversely impact the acquisition of assets belonging to the distribution company, we find opportune to contract legal services specialized in acquisition of interests/assets from third parties.

We specify that besides the above-mentioned projects, there is the possibility of occurrence of other opportunities to invest in the acquisition of interests/assets of distribution companies.

2. Description of legal services to be procured:

2.1 For assistance in implementing required proceedings to obtain credit rating/to contract a consultant for obtaining credit rating, legal services are required to perform the following proceedings, without any limitation:

- Selection of rating companies - assistance in structuring conditions for rating process, drafting/assessing/updating binding offers for contracting rating services, and any requests or responses required during the selection process;
- Assessment of offers submitted by rating companies during the selection processes;
- Drafting rating services agreements, and assistance in negotiation and execution of rating services agreement, and in obtaining the rating, as well as in execution and implementation of services agreement;
- Execution and implementation of any required contract in connection with rating services and obtaining the rating or for compliance with contractual obligations, and assistance in settling any matters which can occur during contract implementation either by means of amiable settlement or by implementing settlement rules provided in the contract;
- Legal representation in front of competent judicial bodies, in case of possible differences of opinion between SNGN Romgaz S.A. and the rating company;
- Interpretation of English law in the above-described context.

2.2 For financing in form of bank loans, legal services are required for, but not limited to, the following formalities:

- conducting the funding bank(s) selection phase by assisting in structuring the terms of the loans, drafting/revising/updating of binding offer for contracting loans and of any requests or responses required as part of the selection process;
- evaluating the financing offers submitted in the selection process;
- drafting the loan agreements and assistance in negotiating and executing loan agreements, as well as obtaining, executing and implementing the financing;
- performing and executing any necessary agreement for contracting and obtaining the financing or for complying with the obligations under the contract, and assistance in settling any possible events during the performance of loan agreements, either by means of amiable settlement or by implementing settlement rules provided in the contract;
- conducting necessary analyses for adopting any corporate decisions required for approval of loan agreements, and awarding the successful financing offer(s);
- Legal representation in front of competent judicial bodies, in case of possible differences of opinion between SNGN Romgaz S.A. and the rating company;
- interpreting Romanian or English law within the above context;
- drafting the financing contracts, as the case may be, concluded by Romgaz with its subsidiaries, Depogaz and Romgaz Black Sea Limited, to secure required funding for their investment projects;
- assistance in presenting financing terms to any rating agency, as well as taking necessary steps to obtain a credit rating/contracting a consultant for obtaining a rating credit.

2.3 For financing in form of bond issuance, legal services are required for, but not limited to, the following formalities:

- assistance in drawing up/updating the issuance prospect in compliance with the capital market legislation on which the initial bond issue will be carried out, i.e. the bond issuance program respectively, as the case may be;
- conducting the selection phase of the investment bank(s) by assisting in structuring the terms of the selection, drafting/revising/updating the binding offer for contracting services provided by the investment bank(s) in the bond issuance process/bond issuance program and any requests or responses required as part of the selection process;
- analysis of the offers submitted by the investment bank(s) as part of the selection process;
- drafting service contracts with investment bank(s) and assisting in negotiating and executing contracts;
- performing and executing any agreement necessary for contracting services provided by the investment bank(s) for complying with the obligations under the contract, and assistance in settling any events that may occur during the contracts performance either by means of amiable settlement or by implementing settlement rules provided in the contract;
- conducting necessary analyses for adopting any corporate decisions required to approve services contracts with investment bank(s) and awarding the successful bid(s);
- conducting necessary analyses for adopting any corporate decisions required to approve the issuance prospect for the initial bond issuance and the bond issuance program, as the case may be;
- participation within the bond issuance consortium, together with the investment bank (s), the financial auditor etc.
- legal representation before the legal competent bodies, in the event of some possible disputes

between SNGN Romgaz SA and the investment bank(s) or other interested parties in the bond issuance process;

- interpreting the Romanian or English law within the above context;
- drafting the financing contracts, as the case may be, concluded by Romgaz with its subsidiaries, Depogaz and Black Sea Limited, to secure required funds for their investment projects;
- assistance in presenting the financing terms to any rating agency, as well as taking the necessary steps in order to obtain a credit rating/contracting a consultant for obtaining a rating credit.

2.4 For the opportunity analysis, identification of optimal solutions and acquisition of interests/assets from some natural gas distribution companies, legal services are required to carry out the following formalities, but not limited to them:

- analysis of legal framework applicable to companies and its impact on the process of interests/assets acquisition from distribution companies.
- analysis of applicable regulatory framework impacting the process of interests/assets acquisition from distribution companies.
- provide legal opinions on the impact of legal and regulatory framework on the interests/assets acquisition from distribution companies, and recommendations on the best legal solutions.
- analyzing and issuing legal opinions on the interests/assets acquisition of distribution companies, including on the ownership thereof.
- counseling on drafting and negotiation of contracts for interests/assets acquisition from distribution companies.
- legal representation before the competent judicial bodies, in case of possible disagreements between SNGN Romgaz SA and the financing parties;

3. Conclusions:

Having in view:

- Article 2 of SNGN Romgaz SA BoD Resolution no. 64/20.06.2023 by which the Board of Directors endorses the procurement of legal consultancy, assistance and/or representation services for SNGN Romgaz SA in compliance with the limitations and conditions defined in Report no. 22.294/08.06.2023,
- The provisions of GEO no. 26 of June 06, 2012 on some public cost - cutting measures and strengthening financial discipline and amending and supplementing some legal documents:

Art. 1

(1) The central and local authorities and public institutions, irrespective of how they are financed and subordinated, the national companies and commercial companies fully state owned or having the state as major shareholder, as well as the autonomous regies having own employees as legal advisors included in their organizational structure are not allowed to acquire legal consultancy, assistance and/or representation services.

[...]

(3) In duly justified situations when legal consultancy, assistance and/or representation services required by the national companies and commercial companies fully state owned or having the state as major shareholder, as well as the autonomous regies provided under par. (1), cannot be provided by the legal advisers employed by said entities, such services can be acquired under the

law only upon approval and authorization of the representatives of the state or of the regional governments in the governing bodies:

a) by the main credit release authority, in case of companies fully state owned or having the state as major shareholder.

- The necessity to procure new high-quality services meant to ensure the company's interests at the highest level of professionalism;

we submit for SNGN ROMGAZ SA General Meeting of Shareholders approval the procurement of legal services for concluding and performing rating services contracts, to obtain external financing and to acquire interests/assets from natural gas distribution companies.

Draft Resolution:

SNGN Romgaz SA General Meeting of Shareholders approves the procurement of legal consultancy, assistance and/or representation services for SNGN Romgaz SA in compliance with the conditions and limitation provided within the Report no. 24511/23.06.2023.

**Chief Executive Officer
Răzvan POPESCU**

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Aristotel Marius JUDE**

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