

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

Endorsed
Board of Directors Chairman
Dan Dragoş DRĂGAN

REPORT

On procurement of legal consultancy services for negotiating and concluding a new Collective Labor Agreement and legal representation în relation to Romgaz Free Trade Union

Whereas:

- The provisions of GEO No. 26 of June 6, 2021, on measures for reducing public expenses and strengthening the financial discipline and for amending and supplementing some legislative act providing that:

“Art. I

(1) The central and local authorities and public institutions of the central and local public government, 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.

(2) Provided that there are solid grounds to justify that legal consultancy, assistance and/or representation services required by the authorities or public institutions provided under paragraph (1) cannot be provided by the legal advisers employed by said entities, such services may be acquired under the law, only upon approval of:

a) main credit release authority for public authorities and institutions of the central public administration;

(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;”

Based on the above premises, and considering the following needs:

1. Currently, the existing Collective Labor Agreement (CLA) at S.N.G.N. Romgaz S.A. level is concluded on 31.05.2022 for a 2 years period, valid until 31.05.2024,

2. The necessity to conclude a new CLA at SNGN Romgaz SA level, following the termination of the existing CLA,
3. Considering the current situation, where a collective labor agreement is in force and the initiative to start collective negotiations belongs to any of the social partners, at least 60 calendar days before the termination of the collective labor agreement (Article 97 paragraph (2) and (3)¹ of the Social Dialogue Act No 367/2022)
4. Within 15 calendar days from the date of the negotiation procedures initiation (at least 60 calendar days before the termination of the CLA), the Employer is obliged to convene all the parties entitled to negotiate the collective labor agreement and to organize the first negotiation meeting (Art. 98 para. 1) of the Law on Social Dialogue no. 367/2022).
5. Romgaz Free Trade Union is the trade union organization at Company level and the legal advisors are members thereof,
6. The potential triggering of a collective labor dispute if the parties fail to reach an agreement on concluding a collective labor agreement by the mutually agreed date for the conclusion of negotiations²,
7. To prevent situations where legal advisers, as employees of the company, are professionally obliged to sustain a cause in contradiction with their own interests promoted by the trade union organization to which they belong,
8. The necessity to increase the organizational efficiency within the current global macro-economic context for a more productive company,
9. The necessity to ensure a more profitable company, ensuring decision making transparency and optimal reaction time when it comes to making decisions, when facing spontaneous and unforeseen challenges and opportunities,

The legal services intended for purchase:

- i) legal assistance provided for Romgaz in collective negotiations carried out with the social partner, Romgaz Free Trade Union, for the conclusion of a new CLA,
- ii) assistance and representation for Romgaz within a arbitration or mediation procedure or other form of alternative dispute resolution before a court of law, or another national arbitration, or mediation body or alternative dispute resolution in another form in Romania, in case of collective labour dispute,
- iii) assistance and representation for Romgaz according to Law no. 51/1995, republished, as subsequently amended, within some legal procedures, before a court of law or the national public authorities in Romania, in case of strike or potential dispute.

The requested legal services are meant to support the Human Resources Department and the company's management in carrying out the CLA negotiations, with the natural consequence of representing the company's interest at the highest professional level, in order to reach the objective of concluding a new CLA, as well as for avoiding to involve the own legal apparatus in a dispute with Romgaz Free Trade Union, considering that the legal advisors are members of the Trade Union. Therefore, we submit for SNGN ROMGAZ SA Board of Directors approval the procurement of legal consultancy services, for the negotiation and conclusion of a Collective Labor Agreement, valid during 01.06.2024 - 01.06.2026, legal assistance services

¹ (2) the initiative of the collective negotiation belongs to any of the social partners.

(3) if there is a valid collective labor agreement, the collective negotiations initiator, according to para. (2) may initiate the negotiation with at least 60 calendar days before the termination of the collective labor agreements or the expiry of the validity of the clauses provided in the addenda to the collective labor agreements at unit/group/sector level of collective negotiation.

² Article 126 letter c) of Law no. 367/2022

The collective labor disputes may be triggered in the following situations:

c) the parties do not reach an agreement on concluding a collective labor agreement by the mutually agreed date for the conclusion of the negotiations.

and/or external representation of SNGN ROMGAZ SA in case of potential collective labor dispute or conflict with Romgaz Free Trade Union.

In case such legal services are approved by GMS, upon selecting the legal consultancy suppliers the base principles of sectorial procurement shall be taken into account and complied with, i.e.:

- non-discrimination;
- equal treatment;
- mutual recognition;
- transparency;
- proportionality,
- taking responsibility.

Romgaz 2024 Budget will include the necessary funds for the procurement of consultancy services, legal assistance and representation

Draft Resolution:

The General Ordinary Meeting of Shareholders approves the procurement of legal consultancy services for negotiating and concluding a new Collective Labor Agreement and legal representation in relation to Romgaz Free Trade Union, in compliance with the limits described in Report no. 44693/14.11.2023.

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