

To,
THE GENERAL MEETING OF SHAREHOLDERS

R E P O R T

on the conclusion of a Natural Gas Sales Contract between S.N.G.N. ROMGAZ S.A. Medias and
S Electrocentrale Bucuresti S.A. in March 2024

Pursuant to Article 52 par. (1) of GEO 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 value of net assets [...] or exceeds 10% of the revenue ... with the controlling shareholders or with a company controlled by such shareholders"*.

Moreover, pursuant to Article 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 enterprise with:*

- a) *the persons provided in paragraph (1) and (2) and the value of the transaction does not exceed the level established in paragraph (1);*
- b) *another public enterprise 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"*.

The public enterprise has the following meanings (Article 2, paragraph 2 of the Government Emergency Ordinance No. 109/2011):

- a) autonomous public companies established by the State or by a territorial administrative unit;
- b) national companies and corporations, companies in which the State or an administrative-territorial unit is the sole or majority shareholder or in which it has control;
- c) companies in which one or more of the public enterprises referred to in (a) and (b) has a majority or controlling interest.

Whereas:

- ✍ Board of Directors Resolution No. 10 of February 9, 2024, by which *"On the basis of Report No. 3702 of January 30, the Board of Directors agrees to bid for sale on the competitive market, either through bilaterally negotiated contracts or on the centralized market administered by the Romanian Commodity Exchange, a quantity of 3.84 million MWh"*;
- ✍ The call for tender No. 4855/February 2, 2024 submitted to S Electrocentrale Bucuresti S.A. for a quantity of 5,676,000 MWh of natural gas or any quantity available until the requested one, with delivery between April 1, 2024 - March 31, 2025;
- ✍ The tenders submitted by Romgaz: No.10501/12.03.2024 - for the quantity 2,241,651 MWh (quantity which represents the difference between the total quantity approved by the BoD and the quantities tendered to other applicants) and No. 10503/12.03.2024 - for the total requested quantity, namely 5,676,000 MWh;
- ✍ Negotiations from March 15, 2024 between the representatives of the two companies;

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

the natural gas sales contract was concluded between S.N.G.N. Romgaz S.A. Medias and S Electrocentrale Bucuresti S.A. which can be summarized as follows:

- Contracted gas quantity: 2,241,651 MWh;
- Delivery period: April 1, 2024 - March 31, 2025;
- Delivery point: VTP (Virtual Trading Point) in the NTS (National Gas Transmission System);
- Daily contractual flexibility: $\pm 10\%$, with the mention that the flexibility of 10% is granted only with the written consent of Romgaz;
- payment of the equivalent value of natural gas: in decadal advance, before the beginning of the delivery period (decade) or at maturity, within a maximum of 30 days from the date of issue of the invoice, with the submission by the Buyer of a letter of bank guarantee (LBG) the value of which must cover the equivalent value of the contracted natural gas) from three consecutive months, with the largest quantities, with the contractual price (Cp), plus VAT.

The obligation to inform the shareholders about the conclusion of certain transactions is regulated by GEO No. 109/2011 which provides the following:

- *"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 value of net assets [...] or exceeds 10% of the revenue ... with the controlling shareholders or with a company controlled by such shareholders"* Article 52, paragraph (1);
- *"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 enterprise with:*
 - a) *the persons provided in paragraph (1) and (2) and the value of the transaction does not exceed the level established in paragraph (1);*
 - b) *another public enterprise 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"* - Article 52, paragraph (3);
- the public enterprise has the following meaning:
 - " a) autonomous regies;
 - b) national companies and corporations, companies in which the State or an administrative-territorial unit is the sole or majority shareholder or in which it has control;
 - c) companies in which one or more of the public enterprises referred to in (a) and (b) has a majority or controlling interest".

Draft Resolution

"The Ordinary General Meeting of Shareholders takes note of the the conclusion of a Natural Gas Sales Contract between S.N.G.N. ROMGAZ S.A. Medias and S Electrocentrale Bucuresti S.A. in March 2024".

**Chairman of the Board of Directors
Dan Dragos DRAGAN**

**Chief Executive Officer
Razvan POPESCU**

**Deputy Chief Executive Office
Aristotel Marius JUDE**

**Chief Financial Officer
Gabriela TRANBITAS**

**Director of Energy Trading Department
Radu Costica MOLDOVAN**