

**ROMGAZ**



Societatea Națională de Gaze Naturale Romgaz S.A. - Mediaș - România

To:  
**SNGN Romgaz SA General Meeting of Shareholders**

No. 52745 / 29.09.2019

Endorsed  
Legal Department  
/ Ioo Endre

Approved,  
Chief Executive Officer  
Adrian Constantin VOLINTIRU



**Report related to concluding addendum No 10/2019  
to the gas sales agreement No. 8/2016 with S. Electrocentrale Bucuresti S.A.**

As of July 29, 2016 the commercial relationship between SNGN Romgaz SA and S. Electrocentrale Bucuresti SA regarding the natural gas delivery for non-households was carried out based on the natural gas sales agreement No. 8/2016.

Considering:

- Bucharest Court decision on 06.10.2016 – Civil Court Division VII, in case file No. 35304/3/2016, pursuant to Art. 71 paragraph 1 from Law No. 85/2014, ordering the general procedure for insolvency against the debtor ELECTROCENTRALE BUCURESTI S.A;
- Agreement No. 8/2016 – regarding natural gas delivery carried out during July 2016 – July 2017;
- Art. 77 from Law 85/2014 together with the provisions from Art. 5 paragraph (1) point 10 from Law 85/2014 which regulates the captive customers status of an insolvent company;
- The final decision No. 1239/14.07.2017 ordered by Court of Appeal Bucharest – Civil Court Division VI in file No. 35304/2016 ordering the application of the provisions of Art. 77 of Law 85/2014 related to debtor Electrocentrale Bucuresti SA;
- The natural gas sales agreement No. VG 72/2019 “Natural gas sales-purchase framework agreement concluded between the natural gas producers and

its final eligible customers” concluded between SNGN Romgaz SA and S Electrocentrale Bucuresti SA, its estimated value is RON 445 730 836;

- Art.52 of Government Emergency Ordinance No.109/2011
  - 1. *“The Board of Directors or, as the case may be, the Board of Supervisors calls the General Meeting of Shareholders for approving any transactions that has, individually or in a series of concluded transactions, a value higher than 10% of the net assets value of the public enterprise or higher than 10% from the revenue of the public enterprise according to the latest audited financial statements, with directors or managers, or as the case may be with the members of the Supervisory Board or the Board of Directors, with employees, shareholders that have control over the company or a company is controlled by them.”*

As of the date the insolvency procedure was initiated against ELCEN, ROMGAZ and ELCEN contractual relationship was based on the applicability of Art. 77 paragraph (1) of Law 85/2014, and therefore during ELCEN observation and restructuring period Romgaz is not allowed to change, refuse or temporary cease natural gas supply to ELCEN Bucuresti SA.

Starting from this above mentioned obligation, the contractual relationship between ROMGAZ and ELCEN Bucuresti SA was lawfully extended by successive addenda establishing the gas quantities for each gas year and the related price.

Between July 2019 – August 2019 the representatives of both companies negotiated to extend the natural gas sales agreement No.8/2016 for October 2019 – September 2020, having in view the insolvency law (85/2014) and the status as captive customer of S. Electrocentrale Bucuresti subject to the court’s decision.

In this context, natural gas deliveries to S. Electrocentrale Bucuresti SA are carried out based on the same contractual provisions currently in force, the only contractual element negotiated being the natural gas delivery price.

Taking into account the two elements of the addendum, namely the unit sale price and the contracted quantity, the total estimated value on the date hereof of the said addendum, VAT exclusive, is RON 468 100 000, respectively EURO 99 140 122.

On the date hereof, S Electrocentrale Bucuresti SA does not record outstanding debts related to natural gas deliveries after the initiation of the insolvency procedure.

Thus, pursuant to SNGN Romgaz SA BoD Resolution No.49/2018, sole article Item 2 letter d stating:

*d) Concludes legal acts, on behalf, in the interest and on the account of the Company, according to Law No. 31/1990. For the contracts with an equivalent value between EURO 1.000.000 and 10.000.000 the Board of Directors must be informed within 30 days. The contracts having a value higher or equal with 10.000.000 EURO are approved by the Board of Directors;*

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CIF: RO 14056826  
Nr. Ord.reg.com/an : J32/392/2001  
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The report registered under No. 30489/10.09.2019 was submitted to the Board of Directors requesting the approval of contracting (sale) by bilateral natural gas sales-purchase agreement of the natural gas quantity requested by S Electrocentrale Bucuresti SA under the conditions hereof, as well as approval for exemption from the guarantee policy of the abovementioned contract according to letter No. 35.873/09.09.2019 sent by S Electrocentrale Bucuresti S.A as a reply to Romgaz request.

The materialization of the contracting operation leads to the execution of addendum No. 10/2019 to natural gas sales agreement No. 8/2016, addendum accepted by S. Electrocentrale Bucuresti S.A.

On September 26, 2019 according to SNGN Romgaz SA BoD Resolution No. 37 unilateral article, letter d, item 1, the Board requested to the GMS the approval to conclude the gas sales agreement with S Electrocentrale Bucuresti S.A according to article 52 of GEO no.109/2011.

- Corroborating the field related legal regulations, respectively GEO No.109/2011 with the final Resolution No. 1239/14.07.2017 of the Appeal Court Bucharest – Divison VI – Civil Court in file case No. 35304/3/2016 which decided on the applicability of Art. 77 of Law 85/2014 related to debtor Electrocentrale Bucuresti S.A we hereby request and having in view that the value of the concluded transactions/the transactions intended to be concluded with S Electrocentrale SA exceed 10% of SNGN Romgaz SA revenue, SNGN Romgaz SA BoD requests:

**The approval for concluding the addendum No. 10/2019 to the natural gas sales agreement no. 8/2016 concluded between SNGN Romgaz SA and S Electrocentrale Bucuresti SA.**

We attach hereto Resolution No. 37/26.09.2019 of SNGN Romgaz SA BoD.

Energy Trade Director

Vasile Ciolpan



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## BOARD OF DIRECTORS

### RESOLUTION NO 37/ 2019

**of the Board of Directors of Societatea Nationala de Gaze Naturale  
"ROMGAZ" - S.A. Medias,  
taken at the meeting of September 26, 2019**

The Board of Directors of Societatea Nationala de Gaze Naturale "ROMGAZ" – S.A joined in the meeting on September 26, 2019 at 2:30 pm (Romania time) at the SNGN ROMGAZ SA working point located in Bucharest, Sector 1, 59 Grigore Alexandrescu Street, 5<sup>th</sup> floor, issues the following:

### RESOLUTION:

#### Article 1

In accordance with provisions of Article 117 (1) of Company Law NO 31/1990, republished, as subsequently amended and supplemented and of Article 13 (1) of Articles of Incorporation of Societatea Nationala de Gaze Naturale "ROMGAZ"-S.A., updated, the Board of Directors decides upon the following:

- a) **Approve the convening of the Ordinary General Meeting of Shareholders of Societatea Nationala de Gaze Naturale "ROMGAZ" S.A. (OGMS) on November 5, 2019, 1:00 pm, at the headquarters of SNGN ROMGAZ SA, in Medias, 4 Constantin Motas Square, Sibiu County, the conference room**
- b) **Establish November 6, 2019, 1:00 pm (Romania time) for the second Ordinary General Meeting of Shareholders of Societatea Nationala de Gaze Naturale "ROMGAZ" S.A., if the validity conditions for the OGMS of November 5, 2019, 1:00 pm, are not met**
- c) **Establish October 24, 2019 as the „Reference Date”, namely the identification date of the shareholders entitled to participate in the OGMS of November 5, 2019 and to cast their votes during such meeting**

**d) Approve the following OGMS Agenda of November 5, 2019:**

*„Item 1 Approval to conclude the Gas Sale and Purchase Agreement with S.C. Electrocentrale Bucuresti S.A., in accordance with the provisions of Article 52 of the Government Emergency Ordinance 109/2011*

*Item 2 Authorize the chairman and the secretary of the meeting to sign the Resolution of the Ordinary General Meeting of Shareholders”*

**e) Authorizes the Chairman of the Board of Directors of Societatea Nationala de Gaze Naturale, "ROMGAZ" SA, Ms. Stan-Olteanu Manuela-Petronela, to sign the Convening Notice of the OGMS which will be held on November 5, 2019.**

**CHAIRMAN OF  
THE BOARD OF DIRECTORS  
STAN-OLTEANU MANUELA-PETRONELA**

