



To: Extraordinary General Meeting of Romgaz Shareholders

Request for approval to amend the main scope of activity of “S.N.G.N. Romgaz S.A. – Underground Gas Storage Subsidiary Depogaz Ploiești S.R.L.” (Subsidiary) from NACE class 5210 - “Warehousing and storage” to NACE class 0910 - “Support activities for petroleum and natural gas extraction”

“S.N.G.N. Romgaz S.A. – Underground Gas Storage Subsidiary DEPOGAZ Ploiesti S.R.L.” (Subsidiary) was established in 2015 following Romgaz EGMS Resolution no. 10/December 19, 2014, it was registered with the Trade Registry under number J29/1181/August 21, 2015 and had no activity until April 01, 2018.

According to the Articles of Incorporation, the main scope of activity declared by the sole owner, SNGN ROMGAZ SA, is **Warehousing and storage – NACE class 5210**. Currently, the subsidiary performs **natural gas underground storage** activities in accordance with license 1924/2014 issued by NARE. The activity is regulated by Law no. 123/2012 regarding electricity and natural gas.

According to Article 3 of the Methodology on regulated tariffs in the field of underground gas storage approved by NARE Order no.14/2019, the activities and operations carried out by the underground gas storage operator for or in connection with the operation of the natural gas storage system are:

- a) exploitation of underground storage capacities which relates to operations and activities carried out by the license titleholder for and/or in connection with the maintenance, repair, verification of the underground storage system with the purpose of ensuring a safe and efficient operation of the system;
- b) development/modernization of underground storage capacities which relates to operations and activities carried out by the license titleholder for and/or in connection with the increase of underground storage capacity by developing injection/withdrawal capacity and construction of new wells with the scope of improving initial technical parameters and others alike;
- c) usage of underground storage capacities which relates to all activities and operations carried out by the license titleholder for or in connection with:
 - (i) injection of natural gas into underground gas storages whereby the gas is taken, measured, conditioned and transported through surface facilities and injected into the underground storage;
 - (ii) storage and management of gas volumes in the underground storage;
 - (iii) withdrawal of natural gas whereby gas is withdrawn from the storage, conditioned, transported and measured in the surface facilities and handed over to the transporter and/or beneficiary;

- (iv) verification of minimum gas quality conditions for delivery purposes, in accordance with the legal provisions in force;
- (v) commercial activities and operations carried out by the storage operator for conclusion and implementation of underground gas storage services.

Against this background, in compliance with the aforementioned Order corroborated with INS Order 337/2007, the underground gas storage operators fit in **Section B – Mining and Quarrying, Division 09- Mining support service activities, Group 091 – Support activities for petroleum and natural gas extraction, Class 0910 - Support activities for petroleum and natural gas extraction”**.

This class includes:

- support activities for petroleum and natural gas extraction, performed based on tariff or contract:
 - exploration services in connection with petroleum or gas extraction, for example, traditional exploration methods such as geological appraisal of future production locations ,etc.;
 - directional drilling and re-drilling: “surface drilling”; lifting, repair and dismantling of derricks;
 - oil and gas well casing cementing; pumping services; plugging and abandonment of oil and gas wells etc.;
 - liquefaction and regasification of natural gas for transportation purposes, performed at the production point;
 - draining and pumping services incidental to oil and gas extraction, based on contract or tariff;
 - test drilling incidental to oil and gas extraction.

This class also includes oil and gas field firefighting services.

According to the description of NACE, 2nd Edition, Section H – Transportation and Storage, NACE Class **5210 Warehousing and storage**, includes:

- warehouses operation for all warehouse goods:
 - grain silo warehouses, general merchandise warehouses, frozen and refrigerated goods storage services, storage tanks ,etc.;
- storing of goods in free trade zones;
- cold storage plant.

In the subsidiary’s reporting activity (financial statements, County Office for Statistics, NARE etc.) **the reporting of activity is made by indicating NACE class 5210, class indicated as main scope of activity in the company’s Articles of Incorporation, the results being obtained from the activity specified as secondary activity of the company**. Data and information supplied as such can affect the accuracy of data and information processed subsequently by the authorities.

In view of a proper performance of DEPOGAZ activity and of fulfilling the company’s proper management objective, the Subsidiary’s Board of Directors endorsed according to Article 11 of BoD Resolution 12/2019 the amendment of the company’s scope of activity from the current NACE class 5210 “Warehousing and Storage” to NACE class 0910 “Support activities for petroleum and natural gas extraction”, the amendment of the Company’s Articles of Incorporation, and sent such to the sole owner for approval purposes.

SNGN Romgaz SA Board of Directors approved the above-mentioned amendment of the main scope of activity, according to article 2 of Resolution no. 45/4.12.2019, subject to the following supplementations to this paper:

- Depogaz representatives state that by amending the main scope of activity there will be no additional financial costs for the Company;
- There is no certainty related to the scope we comply with, neither NACE 5210 nor NACE 0910, gas storage activity is not specifically regulated;

- The Company's main activity remains unchanged;
- Both Companies will take all necessary steps with the National Statistics Institute to request clarifications on the classification of *gas storage activities*; we mention that the letter sent to the National Statistics Institute should be prepared by both Companies.

Based on Art.12 par.6 letter d) of S.N.G.N. Romgaz S.A. Articles of Incorporation which provides that „ The EGMS convenes whenever required to decide upon the following (...)

d)establishment of companies, as well as the conclusion of amendment of articles of incorporation of companies where the Company is shareholder” we require S.N.G.N. Romgaz S.A. EGMS the following:

1. Approval to change the main scope of activity of ” S.N.G.N. Romgaz S.A. – Underground Gas Storage Subsidiary Depogaz Ploiesti S.R.L .” from NACE class 5210 - “Warehousing and Storage” to NACE 0910 - “ Support activities for petroleum and natural gas extraction”;
2. Approval to amend the Articles of Incorporation of “ S.N.G.N. Romgaz S.A. – Underground Gas Storage Depogaz Ploiesti S.R.L.”, as follows:

“Chapter II. SCOPE OF ACTIVITY”

The company's scope of activity is:

- the main scope of activity is “Support activities for petroleum and natural gas extraction” corresponding to NACE Group 091

main activity:

- support activities for petroleum and natural gas extraction corresponding to NACE code 0910

secondary activities:

NACE code 5210 – Warehousing and storage;

NACE code 7022 - Business and other management consultancy activities;

NACE code 4221 – Construction of utility projects for fluids;

NACE code 7112 – Engineering activities and related technical consultancy;

NACE code 4321 – Electrical installation;

NACE code 7120 – Technical testing and analysis, including for natural gas;

NACE code 2562 – General mechanics operations;

NACE code 5224 – Handling activities.

3. Approval to authorize S.N.G.N. Romgaz S.A. Chief Executive Officer to sign the updated Articles of Incorporation of “ S.N.G.N. Romgaz S.A. – Underground Gas Storage Depogaz Ploiesti S.R.L.” with the approved amendments.

Please find attached the updated Articles of Incorporation of “S.N.G.N. Romgaz S.A. – Natural Gas Storage Subsidiary Depogaz Ploiesti SRL”.

Chief Executive Officer

Constantin Adrian Volintiru

NEEL PARASCHIV

Strategy and International Relations, European Funds Director

Cristian Gheorghe Radu

Legal Department

Endre Ioo