

Subject to analysis and endorsement in the BoD meeting dated _____ and approval in the O.G.M.S. meeting dated _____
13253/12.04.2022

Endorsed,
The Board of Directors
Pursuant to Decision no. __ dated__

Chairman
of the Board of Directors
Cristian - Florin GHEORGHE

REPORT

regarding the approval of a transaction with S.N.T.F.M.” C.F.R. Marfă” S.A. for the increase of the transport tariff, respectively augmentation of the estimated value of the contract

Pursuant to Decision no. 5 dated 18.02.2019, the Board of Directors of CONPET S.A. endorsed the Note of the Transport Operations Unit within the company, registered with no. 6380/18.02.2019, to the Ordinary General Meeting of Shareholders regarding the proposal to approve the transaction with S.N.T.F.M.” CFR MARFĂ” S.A. for the conclusion of a contract having as object” Crude oil and rich gas rail transport services from the loading ramps to the destinations set by CONPET S.A.”. The approval of the transaction by the OGMS was necessary considering the value of the contract and the provisions of Art. 52, para. (1) of the GEO no. 109/2011 regarding the corporate governance of the public enterprises, according to which: *“The Board of Directors or, as the case may be, the supervisory council convenes the general meeting of shareholders for the approval of any transaction if this one has, individually, or when included in a series of concluded transactions, a value higher than 10% of the value of the net assets of the public company or higher than 10% of the turnover of the public company as per the latest audited financial statements, with the administrators or directors or, as the case may be, with the members of the supervisory council or of the directorate, with the employees, with the shareholders being in control of the company or with a company under their control.”* We hereby mention that the draft contract and annexes thereof could be reviewed by the shareholders by the observance of the data non-disclosure regime.

Pursuant to Resolution no. 1/26.03.2019, the Ordinary General Meeting of Shareholders of the Company CONPET S.A. approved the transaction with S.N.T.F.M” CFR MARFĂ” S.A. on the conclusion of a contract having as scope “Crude oil and rich gas rail transport services from the loading ramps to the destinations set by CONPET S.A.”.

On 28.03.2019, CONPET S.A. concluded with S.N.T.F.M.” CFR MARFĂ” S.A. the services supply contract no. S-CA 57 dated 28.03.2019 having as object “*Crude oil and rich gas rail transport services from the loading ramps to the destinations set by CONPET S.A.*” over a period of 4 years, respectively until 31.03.2023, inclusive of. The estimated value of the contract is 242,420,640 RON. As per Art. 3.1. of the contract, *the tariff is firm for the first contractual year and the amendment thereof can be made, based on the supporting documents, after the approval by the NAMR of the updated tariff on the domestic subsystem.*

NAMR approved the tariff indexation for the domestic subsystem by 3.75% as of 31.12.2019. In consideration of Art. 3.1. of the contract no. S-CA 57 dated 28.03.2019, S.N.T.F.M.” CFR MARFĂ” S.A. requested for tariff augmentation, showing supporting documents regarding the augmentation of the main cost elements. Following the negotiation held between the representatives of CONPET S.A. and S.N.T.F.M.” CFR MARFĂ”, it has been agreed upon the increase of the transport tariff by 4.5%.

After having finalized the negotiations, Report no. 15261/13.05.2020 was prepared, endorsed by the BoD Decision no. 12/13.05.2020 and approved by CONPET OGMS Resolution no. 4/18.06.2020.

Following these approaches, was concluded Addendum no. 3/19.06.2020 to the contract S-CA 57 of 28.03.2019, having as scope the augmentation of the transport tariff as of 19.06.2020, respectively the increase of the contract’s estimated value by the amount of 7,627,649 RON. Based on the conclusion of Addendum no. 3, the estimated value of the services supply contract no. S-CA 57/28.03.2019 was updated to 250,048,289 RON.

This year, subsequent to the acceptance, by the NAMR of the amendment of the tariff for the domestic subsystem (entered into force on January 1, 2022), by address number C1.1.2/115/27.01.2022 S.N.T.F.M.” CFR MARFĂ” requests for the augmentation of the rail transport tariff, based on the Art. 3.1. of the contract no. S-CA 57 of 28.03.2019. The request is justified by S.N.T.F.M.” CFR MARFĂ based on the significant increase of the energy and fuel prices as well as other cost elements. In the period following this request, between S.N.T.F.M.” CFR MARFĂ” and CONPET S.A., was carried out a negotiation materializing into an exchange of correspondence which ended by the acceptance of a 6% increase of the transport tariff starting with the date of conclusion of Addendum no. 4 to the Contract, meaning after the approval, by the OGMS, of the new transaction. The indexed tariff will be applicable until 31.03.2023 when Contract S-CA 57/28.03.2019 having as object” “*Crude oil and rich gas rail transport services from the loading ramps to the destinations set by CONPET S.A.*” expires.

By the conclusion of this addendum, the estimated value of the services supply Contract no. S- CA 57 of 28.03.2019, shall be increased by the amount of 3,483,766 RON, calculated based on the estimated

quantity for the remaining 11 contractual months and becomes 253,532,055 RON.

Given the above-mentioned aspects, pursuant to Art. 52, para. (1) of the GEO no. 109/2011 regarding the corporate governance of the public enterprises, approved and amended by Law no. 111/2016, we hereby propose the endorsement by the Board of Directors and approval by the Ordinary General Meeting of Shareholders of the transaction with S.N.T.F.M. "CFR MARFA", which will materialize into the conclusion of an Addendum to the contract S-CA 57 of 28.03.2019 having as object the augmentation of the transport tariff, respectively the increase of the contract's estimated value by the amount of 3,483,766 RON. The tariff shall be applicable starting with the conclusion of an addendum.

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