

No. DMEAS 103154/06.12.2024

Submitted for analysis and approval to the E.G.M.S. of 21/22 January 2025

REPORT

on the approval of the conclusion of the Association Contract between S.N.T.G.N. TRANSGAZ S.A., as user, and DELGAZ GRID S.A., as operator, for carrying out the works for the extension of the electricity distribution network in order to connect the Delivery Regulating Metering Station DRMS ROZNOV - BACĂU Regional Operating Centre, as well as the co-financing of the connection works

SUMMARY

DRMS ROZNOV is an existing site where capacity expansion works are being carried out, located in an area of privately-owned agricultural land. In order to supply this site with electricity, a request for the issuance of a Technical Connection Notice was submitted to DELGAZ GRID SA as the Distribution Operator in the area.

DELGAZ GRID SA communicates by letter no.43467/22.08.2024 registered with SNTGN TRANSGAZ SA under no.70777/26.08.2024 that in order to supply electricity to this objective it is necessary to extend the existing distribution network, which is why the connection procedure can be carried out in accordance with ANRE Order no.36/2019, subsequently amended by ANRE Order no.159/02.09.2020.

By Notification no. 43467/22.08.2024, we were notified that following the feasibility study approved by the DELGAZ GRID advisory committee validated with the TEC opinion dated 22.08.2024 in FS no. 17/2024, in accordance with ANRE Order no. 36/2019, it resulted that SNTGN TRANSGAZ SA should participate with a co-financing share of lei 92,451.70 VAT excluded (in the percentage of 50% of the total value of works lei 184,903.39 VAT excluded), based on an Association Contract respectively a Co-financing Contract, concluded between DELGAZ GRID SA and SNTGN TRANSGAZ SA.

By letter no. DMEAS74050/05.09.2024 SNTGN TRANSGAZ SA notifies to DELGAZ GRID SA the confirmation of the estimated co-financing share for the execution of the network extension works.

PROPOSAL

We submit for your analysis and approval, **pursuant to art. 15, paragraph 4, letter i), paragraph 4, in conjunction with art. 31 of the Articles of Incorporation of Transgaz S.A.**, updated, of the Association Contract and the Co-financing Contract to be concluded with Delgaz Grid S.A. for the implementation of the works for the extension of the public electricity distribution network in order to connect the DRMS ROZNOV - BACĂU Regional Operating Centre to the DRMS ROZNOV - BACĂU Regional Operating Centre, as well as to mandate the Director General of S.N.T.G.N. Transgaz S.A. to sign such contracts.

DETAILED CONTENT

DRMS ROZNOV is an existing site where capacity expansion works are being carried out, located in an area of privately-owned agricultural land. In order to supply this site with electricity, a request for the issuance of a Technical Connection Notice was submitted to DELGAZ GRID SA as the Distribution Operator in the area.

DELGAZ GRID SA communicates by letter no.43467/22.08.2024 registered with SNTGN TRANSGAZ SA under no.70777/26.08.2024 that in order to supply electricity to this objective it is necessary to extend the existing distribution network, which is why the connection procedure can be carried out in accordance with ANRE Order no.36/2019, subsequently amended by ANRE Order no.159/02.09.2020 - "Methodology for assessing the financing conditions for investments for electrification of localities or for the extension of electricity distribution networks".

By the Notification no. 43467/22.08.2024, we were informed that following the feasibility study approved by the DELGAZ GRID advisory committee validated with the TEC opinion dated 22.08.2024 in FS no. 17/2024, in accordance with ANRE Order no. 36/2019, it resulted that SNTGN TRANSGAZ SA should participate with a co-financing share of lei 92,451.70 VAT excluded (in the percentage of 50% of the total value of works lei 184,903.39 VAT excluded), on the basis of an Association Contract respectively a Co-financing Contract, concluded between DELGAZ GRID SA and SNTGN TRANSGAZ SA.

By letter no. DMEAS74050/05.09.2024 SNTGN TRANSGAZ SA notifies to DELGAZ GRID SA the confirmation of the estimated co-financing share for the execution of the network extension works.

In view of the above, based on the legal provisions in force, namely ANRE Order no. 36/2019, Law no. 99/2016 on sectoral procurement as subsequently amended and supplemented, the updated Articles of Incorporation of S.N.T.T.G.N. TRANSGAZ S.A., the Civil Code, we would like to propose the endorsement, for approval by the Extraordinary General Meeting of Shareholders of Transgaz SA, the Association Contract and the Co-Financing Contract between S.N.T.T.G.N. TRANSGAZ S.A., as the user, and DELGAZ GRID S.A., as the operator, to carry out the works for the extension of the public interest electricity distribution network in order to connect the DRMS ROZNOV - BACĂU Regional Operating Centre, as well as to mandate the Director General of Transgaz S.A. to sign such contracts.

Please find attached:

- The proposed draft association contract
- The Draft of Co-financing Contract
- The letter DELGAZ GRID SA no. 43467/22.08.2024 registered with TRANSGAZ under no.70777/26.08.2024
- The letter SNTGN TRANSGAZ SA no. DMEAS74050/05.09.2024 representing the confirmation of the co-financing share

**Chairman of the Board of administration,
Petru Ion Văduva**

Translation from Romanian

SNTGN Transgaz SA

Registration no. 81429 of 01.10.2024

Association Contract

related to the extension work of the electrical distribution grid in order to supply electricity to
ROZNOV TOWN, CADASTRAL NO. 56024, MRDS, NEAMT COUNTY

No. DMEAS 1208/01.10.2024

This Contract is concluded today DEGR- 46286 / 05.09.2024

SNTGN "TRANSGAZ" SA-..... / 2024

Between the undersigned:

SC DELGAZ GRID SA, with the office in the municipality of Targu Mures, bld. Pandurilor, nr. 42, floor IV, fax: 0365-403 860, registered at the Trade registry office Mureş under the number J26/326/2000, Sole Registration Number RO 10976687, account no. RO25TREZ4765069XXX003127 opened with Trezoreria Târgu Mureş, represented by Cristian Secosan, having the position of Director General and Ms. Mihaela Loredana Cazacu al Deputy Director General, as concessionary distribution operator, hereinafter referred to as "**Operator**",

SNTGN "TRANSGAZ" SA, with the office in MEDIAS locality, P-TA CONSTANTIN I. MOTAS 1, SIBIU county, phone: 0269803333, fax: 0269/839029, e-mail: cabinet@transgaz.ro, registered at the Trade Register under no.13068733, bank accountBank....., represented by **ION STERIAN** as Director General, hereinafter referred to as "**User**".

Hereinafter referred to individually as "Party" or collectively as "Parties",

Whereas:

- Each of the Parties is a "contracting authority" in the sense of art. 4 of Law no. 99/2016 on the awarding of sectoral procurement contracts;
- The parties intend to establish a "Contracting Association" for the purpose of collectively organizing the public procurement procedures for the performance of electrification works for localities/grid extension in the co-financing situation, depending on the need ("Operation").

The parties agreed as follows:

Article 1: Object - Participations (Association)

1.1. The Parties have agreed to associate and participate in this Association ("Association Contract") for the sole purpose of collectively organizing the sectoral procurement procedures for the performance of electrification works for localities/grid extension in the co-financing situation and for the completion of the Operation under the conditions stipulated in this contract.

1.2. The parties have agreed that the Association does not have legal personality.

The liquidation of the association will not produce patrimonial effects towards the parties, other than those that could result from the enforcement of art. 2.2.

1.3 The parties have agreed, in order to fulfill the objective of the Operation, that each of them will provide the Association with all the necessary resources and qualifications, requested by the Association's management.

1.4. The participations of the parties in the Association are as follows:

- **DEGR** 50.00% (fifty)
- **SNTGN TRANSGAZ** 50.00% (fifty)

1.5. Except for the cases where the Parties agree otherwise, in the case of certain sectoral procurement procedures, all the rights, interests, and obligations resulting from the Operation and/or the Association will be shared and borne equally by the 2 (two) Parties in accordance with their participation in the Association, as mentioned above.

Article 2: Obligations of the Parties

2.1 The parties will execute together and separately all the operations, acts and facts necessary for the collective organization of the public procurement procedures of goods, services, assets and/or works; subsequently, each of the public procurement contracts will be concluded by the respective Interested Party, according to its needs with respect to each procedure of public procurement, in order to fulfill the Operation.

2.2 Without prejudice to the rights and obligations of each of the Parties stipulated in this contract, in the event of non-fulfillment by one of the Parties of the obligations, the Party at fault is obliged to indemnify the other Party for any damages, losses, costs or expenses incurred and resulting from this non-fulfillment.

2.3 Each of the parties will bear the expenses related to the publication of the participation notices, the drafting of the documentation for participation in procurement procedures and the costs of the assessments of the tender committees, proportionally the quantities or the volumes of the respective procurement of services, goods or works, depending on the needs of each of the Parties.

2.4 To fulfill these obligations on behalf of this contract, each of the Parties undertakes to act in good faith in order to protect the interests of the Association.

Each Party undertakes not to act on its own or together with third parties in such a way as to prejudice the interests of the Association or the proper fulfillment of this Contract.

Article 3. Management of the Association

3.1 The parties have agreed that the Association will be managed by "DEGR", for the entire duration of the Association Contract.

Article 4: Performance of the "Operation"

4.1 The Procurement Department of DEGR - which deals with the application and development of procurement procedures, will apply and carry out procurement procedures for the Association as well.

4.2 Each Party, as members of the Association, undertakes to provide the Procurement Departments of DEGR with the necessary information, documentation and powers of attorney, as required by the legislation in force regarding sectoral procurements, which would allow them to fulfill the obligations, as previously mentioned in Article 4.1.

Article 5: Material and personnel

All materials, equipment and personnel necessary for the proper performance of the work related to the Operation will be made available to the Association by the Parties.

Article 6: Representative

6.1 Except for the cases in which the Parties agree otherwise, in the case of sectoral procurement procedures, all rights, interests, and obligations resulting from the Operation and/or from the Association will be shared and equally supported by the 2 (two) parties in accordance with their participation in the Association, as mentioned in art. 1.4 and in art. 1.5.

6.2 Each Party, on behalf of and for the Association, will be responsible for:

- The fulfillment of the obligations stipulated by this Contract and/or the obligations imposed by the
- Execution and application of public procurement contracts;
- Each of the Parties will provide assistance to the Project Administrator, as necessary, in order to control and administer the works.

This contract will enter into force on the date of signing by the 2 (two) Parties and will be valid until the completion of the procurement procedures and the signing of the contracts for the performance of the works with the bidder selected as winner.

Article 7: Applicable law - Settlement of disputes

7.1 This contract is governed by the Romanian law and in particular by article 4 of Law no. 99/2016.

7.2 In the case of any Litigation arising out of or in connection with the conclusion, execution or termination of this Contract, these will be submitted for settlement to the competent court.

A contracting party does not have the right, without the written consent of the other party:

- a) to make known the contract concluded between the two parties or any of its provisions to a third party, except for the persons involved in the fulfillment of the contract;
- b) to use the information and documents obtained or to which it has access during the performance of the contract, for a purpose other than that of fulfilling its contractual obligations.

The disclosure of any information to the persons involved in the fulfillment of the contract will be done confidentially and will extend only to that information necessary for the fulfillment of the contract.

A contracting party will be exempted from liability for disclosing information related to the contract if:

- a) the information was known to the contracting party before it was received from the other contracting party; or
- b) the information was disclosed after obtaining the written consent of the other contracting party for such disclosure; or
- c) the contracting party was legally obliged to disclose the information.

Each party of this contract shall immediately notify the other party of any discovery of any unauthorized disclosure of confidential information.

This contract is signed in 2 (two) counterparts, one for each party.

Each Party will receive one counterpart. The language of the contract is Romanian and will be used in all procedures before all Romanian authorities.

Delgaz Grid S.A.,

Department Manager
Electric Energy Investment Management

NEGRUTU, DRAGOS-CRISTIAN



SNTGN TRANSGAZ SA,

**ION STERIAN
Director General**

Legal department

Dragan Daniel-Vasile DANIEL VASILE DRAGAN

Digitally signed by DANIEL-VASILE DRAGAN
DATA:
2024.09.26
07:32:41 +03'00'

Head of Power Grid Access Service
Patricia Constantin

Digitally signed by COSTICA-ADI NAZAREANU

Translation from Romanian

Registration no SNTGN Transgaz SA
No. 81432 01.10.2024

No. DMEAS 1209/01.10.2024

Co-financing Contract

related to the extension of the electricity distribution grid for the supply with electricity of the objective **LOC. ROZNOV, Land registry no 56024, DRMS, NEAMT COUNTY**

concluded under No. 46287 on 05.09.2024 at **DELGAZ GRID S.A.**

concluded under No. on at **SNTGN TRANSGAZ SA**

Pursuant to art. 13 of the Methodology for the assessment of investment financing conditions for the electrification of localities or for the extension of electricity distribution networks, approved by the Order of the President of the Romanian Energy Regulatory Authority no. 36/2019, as subsequently amended and supplemented, this contract is concluded:

ART.1 The parties

SNTGN TRANSGAZ S.A. with registered office in LOC. MEDIAS, STR. PIATA CONSTANTIN I. MOTAS, No. 1, SIBIU county, email: cabinet@transgaz.ro, phone/fax: 0269/80333333, fax:0269/839029, registered with the Trade Register under no. 13068733 bank account IBAN: opened at Bank represented by **STERIAN ION** as **DIRECTOR GENERAL**, referred to in this document as **public authority**.

and

SC DELGAZ GRID SA, headquartered in Targu Mures, bld. Pandurilor, no. 42, floor IV, fax: 0365-403 860, registered with the Trade registry office Mureş under the number J26/326/2000, Sole Registration Number RO 10976687, account no. RO25TREZ4765069XXX003127 opened with Trezoreria Târgu Mureş, represented by Cristian Secosan, in his capacity of Director General and Mrs. Mihaela Loredana Cazacu as Deputy Director General, hereinafter referred to as **licensee distribution operator**.

ART. 2 Object of the contract

2.1 The object of this contract is the establishment of the conditions for financing the investments for the extension of the electricity distribution network in order to supply electricity to the **LOC. ROZNOV, Land registry no 56024, DRMS, NEAMT county**, i.e. the establishment of the amounts and the payment schedule of the co-financing contributions related to each party, the establishment of the work schedule and the composition of the joint committee (Annex 1) for the establishment of the co-financing contributions in correlation with the total value of the works resulting from the acceptance report upon the completion of the works.

2.2 In order to carry out the investment referred to in Art. 2.1, the signatories of this contract agree to contribute to the co-financing of the works for the extension of the electricity distribution grid for the achievement of the following electricity distribution capacities:

Works for the extension of the electricity grid:

- LEA 0,4kv- 900m;
- LES 0,4kv- 50m;
- CS -2 pieces.

ART. 3 Value of the contract:

3.1 The estimated value of the grid extension works representing the object of the contract is of **RON 184903.39** VAT excluded.

3.2 The estimated value of the network reinforcement works covered by the contract is **RON 0.00** VAT excluded.

ART. 4 Obligations and rights of the parties:

4.1 The licensee distribution operator will participate in this investment with the amount of **RON 92451.695** VAT excluded, representing the value of the effective investment, i.e. 50% of the estimated value of the extension works (**RON 184903.39** VAT excluded) to which **RON 0.00** VAT excluded is added, representing the value of the reinforcement works.

4.2 The licensee distribution operator has the right:

- a) to use the grid established by law,
- b) to develop the distribution grid,
- c) to use the entire capacity of the grid,
- d) to ensure the connection to the grid of new applicants, in compliance with the legal provisions,
- e) to replace grid elements, following certain needs arising for the purpose of upgrading, increase of the capacity of the grid or as a result of the increase in the degree of wear and tear or its damage.

4.3 The licensee distribution operator has the following obligations:

- a) to finance, at the end-of-lifetime or in the situations provided for in the regulations in force, the investments necessary to replace the elements of the grid to ensure the continuity and quality of the distribution service;

- b) to operate and maintain the network for its safe operation according to the rules in force;
- c) in the case of electrification works or extension of the electricity distribution grids carried out through co-financing, within a maximum of 30 days from the signing of the acceptance report of the commissioning of the works, the licensee distribution operator recalculates the efficiency rate of the investment, using the calculation method of the value of the works resulting from the acceptance report of the commissioning and establishes the financing rates;
- d) for electrification or extension works of electricity distribution grids carried out through co-financing and located outside the built-up areas of the localities, the distribution licensee and co-financing participants, the local authority or the user/group of users shall pay the regularization amounts in correlation with the efficiency rate of the investment, within a maximum of 90 days from the signing of the acceptance report of the commissioning of the work. not applicable;
- e) for the works referred to in para. (d), 90 days prior to the expiry of 5 years after the commissioning of the network, the licensee distribution system operator shall recalculate the share of efficiency of the investment resulting from the subsequent connection of other users and shall return to the co-financing partners the difference between the co-financing share initially due to them and the co-financing share resulting from the recalculation of the efficiency;
- f) regarding the extension works of the electricity distribution grids achieved through co-financing, which are located within the territory of the localities according to the documents issued by the public authorities, the licensee distribution system operator is obliged to return to the co-financing participants the co-financing contribution paid by them and to take ownership of the network elements corresponding to the returned share, by January 31 of the calendar year following the calendar year in which the network was put into operation;
- g) in the situation where, following the recalculation provided for in art. 4.3 paragraph (c), the effective value of the work is of at least 80% of the total value of the investment provided for in the acceptance report upon the completion of the work, the licensee distribution operator is obliged to return to the co-financing participants their contribution;
- h) failure to comply with the payment deadlines stipulated in art. 4.3-par. (c), (d), or (g) lead to the obligation of the operator to pay increases for each day of delay, which may not exceed the level of default interest due for failure to pay budgetary obligations on time.

4.4 The public authority has the obligation to contribute to the co-financing of the works with the amount of RON 92451.70 VAT excluded, representing **50.00%** of the estimated value of the works (**RON 184903.39 VAT excluded**).

4.5 The co-financing contribution payment schedule is as follows:

- a) The licensee distribution operator included its part of co-financing, in the amount of **RON 92451,695 VAT excluded (grid extension)** to which 0,00 lei VAT excluded, the value of the reinforcement works, is added in the investment program and this will be completed in accordance with the execution contract resulting from the public procurement.
- b) The public authority agrees with its part of the co-financing, in the amount of **RON 92451,70 VAT excluded**.
- c) The parties undertake to pay for the executed works, each, based on the relevant work situations, accepted for payment by the representatives designated by each party.

4.6 Upon completion of the works, the committee provided for in Art. 5.6 will establish the co-financing contributions in correlation with the total value of the works resulting from the acceptance report on completion of the works, as well as the amounts for their regularization. According to the co-financing contributions in relation to the total value of the works resulting from the acceptance report on completion of works, taking into account the evaluation of the investment works from the point of view of economic efficiency, the works corresponding to the value not applicable shall be financed by the public authority and the works corresponding to the I_{total} value by the licensee distribution operator.

ART. 5 Performance of the works

5.1 The work execution schedule agreed by the parties is according to the execution contract concluded following the public procurement procedure.

5.2 The procurement of the execution of the works will be made based on a contract, concluded in compliance with the requirements of the legislation in force regarding public procurement of works, based on the Association Agreement with ANRE certified economic operators.

5.3 The public authority, as a co-owner, grants the licensee distribution operator the right to exclusive use of the electricity grid from the moment it is commissioned - without any subsequent patrimonial or non-patrimonial claims - and ensures the right of use and servitude and the operator's access, free of charge, throughout the existence and operation of the grid. The delivery of the electricity distribution grid to the maintenance and operation of the licensee distribution operator will be carried out through the co-financing contract and taking-over report upon the completion of the works.

5.4 In order to ensure continuity and safety in the supply of electricity to customers, if the provision of the public distribution service is carried out by means of fixed assets owned by third parties, it is forbidden to change the destination for which such fixed assets were built.

5.5 The monitoring of the execution of the works will be ensured by the specialized personnel of the licensee distribution operator.

5.6 In order to establish the ownership quotas on the co-financed fixed assets, the signatory parties decide to establish a joint committee (Annex 1) consisting of the members who will be appointed by the decision of each party within no more than 10 days after signing the execution contract.

The joint operator-user commission establishes, in the case of electrification or extension works of electricity distribution networks located outside the built-up areas of localities, the regularization

amounts resulting from the recalculation of the efficiency, in correlation with the total value of the works resulting from the acceptance report of the commissioning of the works, as well as the method and deadline for payment of the regularization amounts, which may not exceed 90 days from the commissioning of the network.

If the regularization amounts are not paid within the aforementioned time limit, the party owing them shall be obliged to pay late payment interest for each day exceeding 90 days from the commissioning of the grid, at the rate of the late payment interest due for failure to pay budgetary obligations on time

5.7 The correspondence addresses declared by the parties are:

For **SNTGN Transgaz SA** loc. ROZNOV, land registry code 56024, DRMS, NEAMT county, cabinet,@transgaz.ro, tel/fax: 0269/803333, fax:0269/839029;

For the **distribution operator**: Ia i, str. Sfântul Petru Movil , nr. 38, CP 700014, email:iulian.dascalu@delgaz-grid.ro/alexandru.borta@delgaz-grid.ro

ART. 6 Contract documents

The contract is based on the following documents:

- SNTGN TRANSGAZ S.A. application and related documentation;
- FS No 17 / 2024 prepared by SC KTEEL PROEB SRL ;
- the reply to SNTGN TRANSGAZ S.A. regarding the result of the SS/FS including the offer of co-participation in the financing;
- co-financing confirmation/acceptance letter 74050/05.09.2024

ART. 7 Period of the contract

7.1 The contract enters into force on the date of signing and takes effect for the duration of all the operations necessary to achieve the objectives referred to in Article 2, but not more than 5 years after the commissioning of the network.

7.2 In case of non-payment by SNTGN TRANSGAZ S.A of its part of co-financing within the term established in the construction contract, the schedule for carrying out the works will be postponed according to the delay, the full responsibility falling on SNTGN TRANSGAZ S.A .

ART. 8 Litigation

8.1 Differences of any kind that may arise during the performance of the contract will be settled by the contracting parties amicably.

8.2 In the situation where the differences between the parties cannot be settled amicably, any dispute arising from/or in connection with this contract, including those related to its validity, interpretation, execution or termination, will be settled by the competent courts.

ART. 9 Final provisions

9.1 The amendment / completion of the clauses of this contract will be done with the agreement of both contracting parties, through addenda.

9.2 The contracting parties have the obligation to keep the clauses of this contract confidential

A contracting party does not have the right, without the written consent of the other party:

- a) to make known the contract concluded between the two parties or any of its provisions to a third party, apart from the persons involved in the fulfillment of the contract;
- b) to use the information and documents obtained or to which it has access during the performance of the contract, for a purpose other than that of fulfilling its contractual obligations.

The disclosure of any information to the persons involved in the fulfillment of the contract will be confidential and will extend only to the information necessary for the fulfillment of the contract. The contracting party will be exempted from liability for disclosing information related to the contract if:

- a) the information was known to the contracting party before it was received from the other contracting party, or
- b) the information was disclosed after obtaining the written consent of the other contracting party for such disclosure; or
- c) the contracting party was legally obliged to disclose the information.

Each party of this contract shall immediately notify the other party of any discovery of any unauthorized disclosure of confidential information.

9.3 This contract was concluded on....., in two counterparts, one counterpart for each party.

DELGAZ GRID S.A.,

**DEPARTMENT MANAGER
INVESTMENTS MANAGEMENT**
NEGRUTU, DRAGOS-CRISTIAN
illegible signature -digitaly signed

SNTGN TRANSGAZ S.A.,

DIRECTOR GENERAL
ION STERIAN

LEGAL DEPARTMENT
DRAGAN DANIEL-VASILE

illegible signature -digitaly signed

HEAD OF ACCESS SERVICE TO POWER GRID
NAZAREANU COSTICA ADI

illegible signature -digitaly signed

JOINT COMMITTEE between DEGR and SNTGN TRANSGAZ S.A. on the share of ownership of fixed assets, has carried out its activity on, consisting of :

DEGR si SNTGN TRANSGAZ S.A.

CORE NEAMT

Electricity Project Manager DMI.....

Designer PTh.....

Representative.....

.....
The Commission has established the following shares of ownership of Fixed Assets:

The Commission has established the following shares of ownership of Fixed Assets in percentages:

.....

..... % by DEGR,% public authority

All works will be invoiced and settled **50.00%** by the public authority and **50.00%** by DEGR.



SNTGN Transgaz SA
Registration no 70777 of 26.08.2024

Delgaz Grid SA, Bd. Pandurilor 42, et. 4, 540554 Târgu Mureş

To,

TRANSGAZ (ROZNOV)
Mediaş, Piata Constantin I. Motas 1, Sibiu conty
CLAUDIA.SCHMIDT@TRANSGAZ.RO
0269-801028

Ref.: Extension of the electricity network ROZNOV town, Cadastral no.
56024, MRDS, Neamt county

No 43467/22.08.2024

Dear Madam,

Further to your request for the extension of the electricity network to supply electricity to the **ROZNOV TOWN, CADASTRAL NO. 56024, MRDS, NEAMT COUNTY**, we inform you that the Feasibility Study and the economic efficiency indicators have been approved by the Approval Commission (CTE) of SC Delgaz Grid SA (DEGR).

In accordance with the provisions of art. 13 of ANRE Order no. 36/2019 - "Methodology for the assessment of financing conditions of investments for the electrification of localities or for the extension of electricity distribution networks" subsequently amended by ANRE Order no. 159/02.09.2020 published in the Official Gazette of Romania no. 829/09.09.2020, we are sending you the description of the technical solution, established in accordance with the provisions of Article 9, and the necessary costs, as follows:

a) The technical solution approved in the CTE Commission - of SC Delgaz Grid SA (DEGR) validated with the CTE opinion dated 22.08.2024 from FS no. 17/2024 drawn up by SC KTEEL PROEB SRL and consists of:

- Works for the extension of the electricity network:
 - LEA 0,4 kV - 900 m
 - LEA 0,4 kV - 500 m
 - CS - 2 pcs.

Network upgrade works

- b) The total estimated costs for the above mentioned extension works are **184903,39 lei, VAT excluded.**

Delgaz Grid SA

Electricity Investment
Management Department

Electricity Grid Connection Unit
Dascalu Iulian
Phone 0734-995 745

iulian.dascalu@delgaz-grid.ro

Abreviation: DEGR-DMIE-SRRE

Chairman of the BOD
Volker Raffel
Director General
Cristian Secosan DG
Mihaela Loredana Cazacu
(deputy)
Anca Liana Evoiu (deputy) ifrim
Cristian Nicolae Ifrim (deputy)

Headquarters: Târgu Mureş
CUI: 10976687
Tax attribute: RO
126/326/08.06.2000

Bank BRD Târgu Mureş
IBAN:
RO11BRDE270SV27540412700
Subscribed and Paid-up Share
Capital: 773.257.777,5 RON

c) Total estimated value of extension works, $I_{total} = 184903,39$ lei without VAT

d) Value $I_{cf} = 33252,64$ lei, for which $DRI \leq 25$ years and $VAN > 0$;

e) Amount of co-financing borne by DEGR is of $I_{total} / 2 = 92451,70$ lei VAT excluded, because $I_{cf} = 17,98\% I_{total}$. (I_{cf} fits: $I_{cf} < 50\% I_{total}$).

The estimated value supported by DEGR is 92451,70 lei VAT excluded plus the value of the network reinforcement works amounting to 0,00 lei VAT excluded.

The final value of the works will be established following the public procurement procedure organised by DEGR in accordance with the provisions of Article 17 (2), after which it will be possible to establish the works corresponding to the values of the respective I_{cf} $I_{total} - I_{cf}$.

The indicative amount with which TRANSGAZ (ROZNOV) is required to participate in the financing of the works is 92451,70 lei without VAT.

In accordance with the provisions of art.11(2) of ANRE Order no. 36/2019 - "Methodology for the assessment of financing conditions for investments for the electrification of localities or for the extension of electricity distribution networks" as amended, financing by DEGR with the I_{cf} value is conditional on your acceptance of the financing of the above mentioned value.

In this regard, please send us your acceptance by a confirmation letter. Failure by DEGR to receive confirmation from TRANSGAZ (ROZNOV) within 60 days is tantamount to non-acceptance of the proposal for participation in the financing and will result in DEGR's closing the application for extension and recovery from the City of the costs incurred for the preparation of the SF, in accordance with the provisions of art. 17(1),(2),(4) and (5) of the Methodology approved by Ord. ANRE no. 36/2019 as amended.

Indicative timetable for the works:

- stage I: conclusion of the Association/Co-financing contract between **DEGR** and **TRANSGAZ (ROZNOV)**;
- Phase II: procurement of works in accordance with public procurement regulations;
- Phase III: drafting of the PTh+CS, DTAC, obtaining the building permit and execution of the works.

According to Article 13(c), on completion of the works, the joint committee established in the financing contract will determine the share of ownership of the fixed assets according to the contributions to the financing, established in accordance with the memorandum containing the development perspective, in relation to the total value of the works and the final adjustments will be made for the contribution of each party.

We assure you of our full consideration and availability for the best possible cooperation.

Delgaz Grid S.A.,

Checked,

Head of Electricity Connection
Unit

Costică Adi Nazareanu

Digitally signed
by Costica -
Adi Nazareanu

Drafted,

Electricity Grid
Connection Specialist

Iulian Dascalu

illegible signature



SOCIETATEA NAȚIONALĂ DE TRANSPORT GAZE NATURALE "TRANSGAZ" SA

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NO.DMEAS74050/05.09.2024

To,

SC DELGAZ GRID S.A.

Târgu Mureș, str. Pandurilor, nr.42, cod 540554

Attn: Mr. Iulian Dascalu

E-mail: iulian.dascalu@delgaz-grid.ro

Ref: Power supply MRDS ROZNOV

In response to the notification DELGAZ GRID SA with no. 43467/22.08.2024 registered in SNTGN TRANSGAZ SA with no.70777/26.08.2024, regarding the request of SNTGN TRANSGAZ SA for the supply of electricity to MRDS ROZNOV, Neamt county, we confirm the estimated co-financing share, amounting to **92.451,70 lei VAT excluded**, with which SNTGN TRANSGAZ SA is required to participate in the financing of the works for the electricity supply of this objective, in accordance with ANRE Order no. 36/2019, subsequently amended by ANRE Order no. 159/02.09.2020 - "Methodology for the assessment of financing conditions for investments for the electrification of localities or for the extension of electricity distribution networks"

In accordance with the specification in Notification No 43467/22.08.2024 concerning the indicative timetable for carrying out the works - stage I - we request that the Joint Venture Contract and the Co-financing Contract between DELGAZ GRID SA and SNTGN TRANSGAZ SA be submitted as soon as possible for signature.

Yours sincerely,

STERIAN ION

DIRECTOR GENERAL

illegible signature and stamp