

## CURRENT REPORT

according to the provisions of Art. 234 of Financial Supervisory Authority Regulation (ASF) No. 5/2018

Date of report: **16.07.2019**

Name of issuing entity: **SNTGN TRANSGAZ SA MEDIAȘ**

Headquarters: **Mediaș, 1 Constantin I. Motas Square, Sibiu County**

Telephone/fax number: **0269803333/0269839029**

Tax identification code: **RO 13068733**

Trade Register number: **J32/301/2000**

Subscribed and paid-up capital: **RON 117,738,440**

Regulated market on which issued securities are traded: **Bucharest Stock Exchange**

## REPORTED EVENTS

**SNTGN Transgaz SA concluded a juridical document according to Art. 234 (1) (i) of ASF Regulation No. 5/2018 on issuers of financial instruments and market operations**

According to **Art. 234 (1) (i) of ASF Regulation No. 5/2018**, **SNTGN Transgaz SA** is reporting on a juridical document the value of which exceeds 10% of the net turnover for financial year 2018.

The investment objective ***Enhancement of the Romanian transmission system between Onesti-Isaccea and reverse flow at Isaccea – phase 2 (Interconnection of the national gas transmission system with the international transmission system and reverse flow at Isaccea – phase 2): Upgrading of the Onești compressor station and Upgrading of the Siliștea compressor station*** is included in the 2019 Investment Modernization and Development Plan of SNTGN TRANSGAZ S.A. Mediaș, at position 2.2.6.

| Contract data                 | Contract clauses   |
|-------------------------------|--|
| <b>Contract Parties</b>       | Leader of the association: IRIGC IMPEX S.R.L.<br>Associate 1: EURO CONSTRUCT INTERNAȚIONAL S.R.L.<br>Associate 2: INSPET S.A.  |
| <b>Contract date and type</b> | Contractual Agreement No. 669/05.07.2019 on the design and execution of the works:<br><i>Enhancement of the Romanian transmission system between Onesti-Isaccea and reverse flow at Isaccea – phase 2 (Interconnection of the national gas</i> |

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|  | <i>transmission system with the international transmission system and reverse flow at Isaccea – phase 2): Upgrading of the Onești compressor station and Upgrading of the Siliștea compressor station</i>  |
| <b>Contract scope</b>                                  | <i>Enhancement of the Romanian transmission system between Onesti-Isaccea and reverse flow at Isaccea – phase 2 (Interconnection of the national gas transmission system with the international transmission system and reverse flow at Isaccea – phase 2): Upgrading of the Onești compressor station and Upgrading of the Siliștea compressor station</i>  |
| <b>Contract value</b>                                  | EUR 64,300,000.00 without VAT  |
| <b>Mutual debts</b>                                    | N/A  |
| <b>Guarantees established and penalties stipulated</b> | <p><b>GUARANTEES</b></p> <ol style="list-style-type: none"> <li>1. Performance bond amounting to EUR 6,430,000 (which is 10% of the contract value without the VAT).</li> <li>2. Third party damage insurance (10% of the contract value for each event, and 20% of the contract value, in total)</li> </ol> <p><b>PENALTIES</b></p> <ol style="list-style-type: none"> <li>1. 4,000 lei/day, amount withheld from delayed transmission of the Execution Schedule.</li> <li>2. 10% of the total amounts at (a) and (b) of Clause 50.1[Work Progress Report], value withheld from the Payment Certificate in case of failure of the Provider to meet a milestone at the established deadline.</li> <li>3. The amount of the delay penalties for each day of delay is the contract (or Sector) price at Contract signature divided by the duration of the execution at the Contract signature, expressed in days.</li> <li>4. 10,000 lei/day for the replacement of the key personnel of the Provider without compliance with the provisions of Clause 14.3 and/or 14.4 per event.</li> <li>5. 5,000 lei/day for failure to comply with Clause 27.2.</li> <li>6. 20,000 lei/day for failure to comply with Clause 27.3.</li> <li>7. 5,000 lei/day for failure to comply with Clause 30.1.</li> </ol> |
| <b>Payment terms and modalities</b>                    | <ol style="list-style-type: none"> <li>1. The possibility of advance payment in one instalment up to a maximum of 30% of the Contract value, upon presentation of the advance payment invoice, but not earlier than 7 days from Contract signature, the value of the deductions from the payment certificates shall be 30% of each certificate separately.</li> <li>2. The Beneficiary shall pay the amounts certified by the Supervisor within 30 days from the receipt of the Payment Certificate. The Supervisor shall verify the work progress reports sent by the Provider and, within or 30 days from the receipt of the work progress report, shall issue a payment certificate to the Beneficiary.</li> <li>3. The Beneficiary shall pay the amounts certified by the Supervisor within 30 days from the receipt of the final payment certificate.</li> </ol>  |

**DIRECTOR - GENERAL**

**ION STERIAN**