

No. 18385/09.03.2023

Submitted for analysis and approval to the E.G.M.S. of 26/27 APRIL 2023

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

SUMMARY

RMDS ZĂNEȘTI is a new location located in an area of privately-owned agricultural land. In order to supply electricity to this site, a request for the issue of a Technical Endorsement for Connection no. DPC19711/11.03.2022 was submitted to DELGAZ GRID SA under no.1004342408/14.03.2022.

DELGAZ GRID SA communicates by letter registered with SNTGN TRANSGAZ SA under no.34983/03.05.2022 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 conditions for financing investments for the electrification of localities or for the extension of electricity distribution networks".

By Notification no. 70489/07.12.2022, we have been informed that following the feasibility study drawn up by DELGAZ GRID SA under No 220705 /2022, approved by the DELGAZ GRID approval commission validated by the TEC endorsement 529/07.09.2022, in accordance with ANRE Order no. 36/2019, it resulted that SNTGN TRANSGAZ SA should participate with a co-financing share of 196,402.34 lei VAT excluded (50% of the total value of the works 392,804.67 lei VAT excluded), on the basis of an Association Contract and a Co-financing Contract, respectively, concluded between DELGAZ GRID SA and SNTGN TRANSGAZ SA.

In order to carry out the connection works, it is necessary to sign two contracts, an Association Contract and a Co-financing Contract, between DELGAZ GRID SA and S.N.T.G.N. TRANSGAZ S.A.

PROPOSAL

We submit for your analysis and approval, pursuant to Article 15, paragraph 4, letter i) in conjunction with Article 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 interest electricity distribution network in order to connect the Regulating Metering Delivery Station ZĂNEȘTI - BACĂU Regional Operating Centre to it, as well as to mandate the Director General of Transgaz S.A. to sign such contracts.

DETAILED CONTENT

RMDS ZĂNEȘTI is a new location located in an area of privately-owned agricultural land. In order to supply electricity to this site, a request for the issue of a Technical endorsement for Connection no. DPC19711/11.03.2022 was submitted to DELGAZ GRID SA under no.1004342408/14.03.2022.

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In order to carry out the connection works, it is necessary to sign two contracts, an Association Contract and a Co-financing Contract, between DELGAZ GRID SA and S.N.T.G.N. TRANSGAZ S.A.

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, S.N.T.G.N. TRANSGAZ S.A.'s Articles of Incorporation, updated, the Civil Code, we would like to propose the approval of the Association Contract and the Co-financing Contract, between S.N.T.G.N. TRANSGAZ S.A., as user, and DELGAZ GRID S.A., as operator, to carry out the works for the extension of the public interest electricity

distribution network in order to connect the RMDS ZĂNEȘTI Metering Regulating Delivery Station - BACĂU Regional Operating Centre, as well as to mandate the Director General of Transgaz S.A. to sign such contracts.

Please find attached the copies of;

- The proposed draft association contract;
- The draft co-financing contract;
- The request for the issue of the Technical endorsement for connection no. DPC19711/11.03.2022;
- The letter DELGAZ GRID SA no. 1004342408/18.03.2022;
- The letter SNTGN TRANSGAZ SA no. DMEAS363/04.01.2023;
- The notification DELGAZ GRID SA no. 70489/07.12.2022;
- The necessity report no. 10859/10.02.2023;

Chairman of the Board of Administration
Petru Ion Văduva

Translation from Romanian

Stamp of SNTGN Transgaz SA
Registration no. 950
January 05, 2023

No. DMEAS 20 / 5 January 2023

Association Contract

related to the works for the extension of the power distribution grid in order to connect the objective ZANESTI connection and RMDS, ZANESTI Village, ZANESTI Commune, Neamt County

This Contract is concluded today
DEGR-..... /.....
SNTGN TRANSGAZ SA-..... /.....

Between the undersigned:

SC DELGAZ GRID SA, with the office in the municipality of Targu Mures, bld. Pandurilor, nr. 42, Mures county, registered at the trade registry office under the number J26/326/2000, Sole Registration Number RO 10976687, account no. RO87BRDE040SV49926750400 opened with BRD Bank, represented by Cristian Secosan, having the position of General Manager, as licensee distribution operator, hereinafter referred to as **operator**,

SNTGN TRANSGAZ SA, with the office in MEDIAS, P-TA CONSTANTIN I. MOTAS, Nr. 1, SIBIU county, e-mail: cabinet@transgaz.ro, phone/fax: 0234-516090 registered with the Trade Register under no. RO13068733, bank account IBAN: RO79RNCB0231019525310002 opened with BCR MEDIAS Bank, 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 sectorial 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 by co-financing, depending on the need ("the Operation").

The parties agreed as follows:

Article 1: Object – Shares (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 by co-financing 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 fulfil 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 parties' shares in the Association are as follows:

- SC DELGAZ GRID 50% (fifty)
- SNTGN TRANSGAZ SA 50% (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 share 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 public procurement procedure, in order to fulfill the Operation.

2.2 Notwithstanding 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 defaulting Party 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 purchase 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 works 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
- 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 at 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.

Any information shall be disclosed to the persons involved in the fulfillment of the contract on a confidential manner and shall extend only to such information which is 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 shall receive one counterpart. The language of the contract is Romanian and it shall be used in all procedures before all Romanian authorities.

Drafted in Iasi, on

Delgaz Grid S.A.,
Department Manager
Electric Energy Investment Management
NEGRUTU, DRAGOS-CRISTIAN

USER,
SNTGN TRANSGAZ SA,
ION STERIAN

Legal department
Dragan Daniel-Vasile

Head of Power Grid Access Service
Patricia Constantin

Stamp of SNTGN Transgaz SA

No. 949

5 January 2023

No. DMEAS 19 / 5 January 2023

Co-financing Contract

related to the works for the extension of the power distribution grid for the power supply to the objective ZANESTI connection and RMDS, ZANESTI Village, ZANESTI Commune, Neamt County

concluded under No. on 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 power distribution grids, as approved by the Order of the President of the Romanian Energy Regulatory Authority no. 36/2019, as amended, this contract is concluded:

ART.1 The parties

SNTGN TRANSGAZ SA, with the office in MEDIAS locality, P-TA CONSTANTIN I. MOTAS, Nr. 1, SIBIU county, e-mail: cabinet@transgaz.ro, phone/fax: 0234-516090 registered at the Trade Register under no. RO13068733, bank account IBAN: RO79RNCB0231019525310002 opened with BCR MEDIAS Bank, represented by ION STERIAN as Director General, hereinafter referred to as user.

and

SC DELGAZ GRID SA, with the office in the municipality of Targu Mures, bld. Pandurilor, nr. 42, zip code 540554, registered with the trade registry office under the number J26/326/2000, Sole Registration Number RO 10976687, account no. RO25TREZ4765069XXX003127, represented by Mr. Cristian Secosan, having the position of General Manager and Mrs. Mihaela Loredana Cayacu – Deputy General Manager, hereinafter referred to as distribution operator licensee.

ART. 2 Object of the contract

2.1 The object of this contract is represented by the establishment of investment financing conditions for the extension of the power distribution grid in order to supply power to the objective ZANESTI connection and RMDS, ZANESTI Village, ZANESTI Commune,

Neamt County, respectively the establishment of the amounts and the payment schedule of the co-financing contributions related to each party, the establishment of the schedule for the completion of the works and the composition of the joint commission (appendix 1) for the establishment of the co-financing contributions, in correlation with the total value of the works resulting from the acceptance protocol upon the completion of the works.

2.2 In order to perform 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 power distribution grid for the achievement of the following power distribution capacities:

Works for the extension of the power grid:

LEA 20 kV - 326 m.

LES 20 kV - NA2XS(FL)2Y 3X(1X150/25) MMP - 511 m.

PTA 20/0.4KV, 50 KVA -1 pc.

ART. 3 Value of the contract:

3.1 The estimated value of the grid extension works representing the object of the contract is of **392804.67** 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 **196402.34 RON** VAT excluded, representing the value of the effective investment, i.e. 50% of the estimated value of the extension works (**392804.67 RON VAT excluded**).

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) in the situation where the works are funded by the user, to request technical-economic documents proving the quality of the materials and the works performed, as well as the value of the investment – **not applicable**;

f) to replace grid elements, following certain needs arising for the purpose of modernization, 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) 90 days before the expiration of the 5-year term from the commissioning of the grid, the operator recalculates the investment efficiency rate resulting from the subsequent connection of other users and returns to the funding co-participants the difference between the co-financing quota initially assigned to them and the co-financing quota resulting from the recalculation of the efficiency, established according to the provisions of art. 4.6.;
- d) 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 taking-over protocol upon the completion of the work, the licensee distribution operator is obliged to return to the co-financing participants, their contribution,
- e) the payment deadline of the settlement amounts provided for in art. 4.3 paragraph (c) or (d), may not exceed the date of 5 years from the commissioning of the grid, and failure to comply with this leads to the obligation of the operator to pay increases for each day of delay, which cannot exceed the level of the delay interest due for non-payment of budget obligations on time.

4.4 The user has the obligation to contribute to the co-financing of the works with the amount of **196402.34 RON** VAT excluded, representing **50.00%** of the estimated value of the works (**392804.67 RON** 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 **196402.34 RON** VAT excluded (grid extension) in the investment program and this will be completed in accordance with the execution contract resulting from the public procurement.
- b) The user agrees with its part of the co-financing, in amount of **196402.34 RON** 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 shall establish the contributions to co-financing in correlation with the total value of the works resulting from the acceptance protocol concluded upon the completion of the works, as well as their settlement amounts.

Depending on the contributions to the financing in relation to the total value of the works resulting from the acceptance protocol concluded upon the completion of the works, taking into account the assessment of the investment works from the point of view of economic efficiency, the works corresponding to the value of $I_{total}/2$ are financed by the user, and the works corresponding to the $I_{total}/2$ value, by the licensee distribution operator. All work situations will be invoiced and settled **50.00%** by the user and **50.00%** by DEGR.

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 works execution shall be purchased under 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 user, as a co-owner, grants the licensee distribution operator the right to exclusive use of the power 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. Handing over of the electric energy distribution grid to the maintenance and operation of the licensee distribution operator will be carried out through the co-financing contract and acceptance protocol at the completion of the works.

5.4 In order to ensure continuity and safety in the supply of electric energy to customers, if the provision of the public distribution service is carried out by means of fixed means owned by third parties, it is forbidden to change the destination for which these fixed means 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 (appendix 1 - the members of the taking-over committee being the representatives of CORE-DEGR, the user and ISC) 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 committee will meet on the date of taking-over at the completion of the works and will conclude a taking-over protocol.

The operator-user joint commission establishes the contributions to co-financing in correlation with the total value of the works resulting from the taking-over protocol at the completion of the works, as well as the settlement amounts for them, the method and the deadline for payment of the settlement amounts, which cannot exceed 90 days after the grid was commissioned.

The obligations of the parties regarding the payment of delay increases for each day that exceeds the term of 90 days from the commissioning of the grid, which cannot exceed the level of the delay interest due to non-payment of budgetary obligations on time.

5.7 The correspondence addresses declared by the parties are:

For the user – MEDIAȘ locality, P-TA CONSTANTIN I. MOTAS, Nr.1, SIBIU county, cabinet@transgaz.ro, phone/fax: 0234-516090;

For the distribution operator: Str. Stefan cel mare, nr. 74, B 101, Radauti, Suceava county, phone 40 724 21 84 21, email: dan.mutrescu@delgaz-grid.ro.

ART. 6 Contract documents

The contract is based on the following documents:

- user request no. 1004342408/March 14, 2022 and its related documentation;
- feasibility study SF no. 220705/2022 developed by POWER DESIGN SRL
- response to user no. 61710/October 28, 2022 regarding the SF result including the co-participation in financing bid
- address to confirm / accept the user co-financing No. 363/January 04, 2022.

ART. 7 Period of the contract

7.1 This contract is concluded for the period of all operations necessary to fulfil the objectives mentioned in art 2. This contract shall be terminated on the commissioning of the grid and the conclusion of the handing-over – taking-over protocol.

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

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 04 January 2022, in two counterparts, one counterpart for each party.

DELGAZ GRID S.A.,	SNTGN TRANSGAZ S.A.,
EXPLOITATION DIVISION DIRECTOR AND	GENERAL DIRECTOR
POWER GRID MAINTENANCE	ION STERIAN
PETRICĂ LUCĂCI	

LEGAL DEPARTMENT
DRĂGAN DANIEL-VASILE

HEAD OF ACCESS SERVICE TO POWER GRID
PATRICIA CONSTANTIN

Appendix No. 1

The JOINT COMMITTEE between DEGR and the user regarding the share of ownership of the Fixed Assets carried out its activity on, consisting of:

DEGR and SNTGN TRANSGAZ SA

CORE NEAMT
DMI Electricity Project Manager
Designer PTh
Representative SNTGN TRANSGAZ SA

The Commission has established the following share of ownership of the Fixed Assets:

LEA 20 kV - 326 m.

LES 20 kV - NA2XS(FL)2Y 3X(IXI50/25) MMP - 511 m.

PTA 20/0.4KV, 50 KVA -1 pc.

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

LEA 20 kV - 326 m. % of DEGR, % user

LES 20 kV - NA2XS(FL)2Y 3X(IXI50/25) MMP - 511 m. % of DEGR, % user

PTA 20/0.4KV, 50 KVA -1 pc. % by DEGR, % user

All work situations will be invoiced and settled in a percentage of **50%** by the user and **50%** by DEGR.

Transgaz' letterhead

**Design and Research Division
DPC No. 19711 / 11.03.2022**

To

S.C. DELGAZ GRID S.A.
540554, Tg. Mureș, B-dul Pandurilor, no. 42, Mureș County

To: Mr. Ferenc Csulak, Director-General

Regarding: Issue of the Technical Approval for Connection (electric energy) for the work: Zănești Connection and RMDS, electric energy supply and fencing. Neamt County

Dear Mr. Director-General,

The National Gas Transmission Company Transgaz SA, headquartered in Mediaș, Constantin I. Moțaș Square, no. 1, Sibiu county, registered at the Trade Register under no. J32/301/2000, having sole registration number RO13068733, telephone 0269 803 333 or 0269 803 334, fax. 0269 839 029, represented by the Design and Research Division Director, Oniga Ciprian, hereby requests the issue of the Technical Approval for Connection (electric energy) for the investment objective Zănești Connection and RMDS, electric energy supply and fencing, Neamt County.

We would like to mention the fact that the beneficiary of the investment is S.N.T.G.N. TRANSGAZ S.A., and the general designer of the work is S.N.T.G.N. TRANSGAZ S.A. - DESIGN AND RESEARCH DIVISION.

Please find attached in 2 (two) copies the technical documentation in order to obtain the Technical Approval for Connection (electric energy), for the work: "Zănești Connection and RMDS, Neamț County".

We attach:

- Application form;
- Registration certificate;
- Technical report;
- Town planning certificate;
- Site permit;
- Property documents;

- Area layout plan;
- Situation plan;
- Topographic plan

In case you consider that other additional clarifications are necessary, these can be requested at the following phone numbers:

- o 0755895004 - contact person - project responsible person - APC10I engineer—
Poenari Constantin (e-mail: constantin.poenari@transgaz.ro).
- o 0755026986 - Design and Research Division - APC 10I Head of workshop
Cerbu Adrian (e-mail: adrian.cerbu@transgaz.ro);

The following address will be used for correspondence:

S.N.T.G.N. Transgaz S.A Mediaş,
Design and Research Division,
Str. Unirii, no. 6, code 551025, Mediaş Locality, Sibiu county.

Hoping you will comply with our request, thank you for your understanding and cooperation.

Yours sincerely,

**Director General,
Sterian Ion**

Illegible signature – stamp

Deputy Director General
On behalf of Leahu Mihai
Ghidu Elisabeta
Illegible signature

Design and Research Division Director
Ciprian Oniga
Illegible signature

Design Head Engineer
Stroi Dan
illegible signature

Head of the Design and Research Workshop 10I
Cerbu Adrian
Illegible signature

Prepared
Poenari Constantin
Illegible signature

Logo DELGAZ

Stamp: SNTGN Transgaz SA Medias
Design and Research Division APC 10I
No. 100
03.05.2022

Stamp: SNTGN Transgaz SA
No. 34983
03.05.2022

Delgaz Grid SA, Bd. Pandurilor 42. et
4,540554 Târgu Mures
S.N.T.G.N. SA
Loc. Mediaş, str.Unirii, no.6
Sibiu county

Piatra Neamţ, Nr.
1004342408/18.03.2022

Delgaz Grid SA
Department
Bd. Pandurilor 42, floor 4 540554 Târgu
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Vasile FUIOAGA
T+40-233205869
vasile.fuioaga@delgaz-grid.ro
EARE NEAMT

President of the Board of Administration
Volker Raffel
Directors General
Cristian Secosan (Director General)
Mihaela Loredana Cazacu (Deputy)
Anca Liana Evoiu (Deputy)
Petre Stoian (Deputy)
Headquarters: Târgu Mureş
Sole Registration Number: 10976687
Fiscal Attribute: RO
J26/326/June 08, 2000
BRD Târgu Mureş Bank

Dear Client,

We would like to inform you that we have received the request with no. 1004342408/March 14, 2022, together with the documents sent and we inform you that for the electric energy supply of the objective RMDS Zanesti, Neamt County it is necessary to extend the public distribution grid.

The extension of the public distribution grid can also be **co-financed by applicants** in accordance with ANRE order no. 36/2019 - "Methodology for the assessment of the financing conditions of the investments for the electrification of localities or for the expansion of electric energy distribution grids" as subsequently amended and supplemented, hereinafter referred to.

To make it easier for you and to move on, please find below all the documents that we ask you to send to us to complete your application:

a. *the general town planning plan (PUG) in force on the date of the request, for the locality where the electrification/extension of the electrical distribution grid is proposed, with the presentation of the existing urbanistic equipment and the proposals for its development, including the power grids to ensure the necessary consumption: written parts and drawn parts;

b. *the zonal town planning plan (PUZ) in force at the date of the request for the development area of the administrative-territorial unit where the development of the electrical distribution grid is proposed, with the presentation of the existing urbanistic equipment and the proposals for its development, including the power grids, to ensure consumption needs: written parts and drawn parts;

c. *the documents proving the ownership of the land on which the electrical distribution grids are to be located; (excerpt from the inventory of goods belonging to the public domain of the locality or land book excerpt for the private access way, accompanied by the notary statements necessary for the layout of the power grid on the private domain).

d. *the layout reports (marking-for the studied area) of public roads and other lands on which the electrical distribution grids will be located and/or the situation plan scale 1:2000 with public roads and other lands on which the electrical distribution grids will be located, approved by the cadaster service of the public authority.

On the situation plan, the locations of the places of consumption of natural and legal persons users who requested the development of the network in that area will be indicated;

e. *building permits or town planning certificates for construction related to future places of consumption in the area where the development of the electrical distribution grid is requested, if these have been issued; (if there are other consumers who request connection to the power grid in the studied area)

f. *report containing the existing degree of development and the development perspective for the studied area (2020-2021-2022), including the following information:

i. the number of existing consumption places, under construction or with building permits within the validity period, specifying the locations for which building permits have already been issued, including by marking them on the drawings submitted according to the specifications in point a);

- ii. the final number of consumption places in the area represents the number of users requested by the Local Authority/User/Group of Users and shall correspond to the development perspective, according to the Methodology for Calculation of efficiency of works for the electrification of localities or for the extension of electric energy distribution grids point (2), letter d);
- iii. the number of users, other than domestic final customers, specifying the destination of consumption, if applicable;
- iv. staggering over time of the number of users corresponding to the stages of completion of houses or constructions with other purposes;
- v. documented data on the total power required by stage of development of the area and the final power, both for domestic and non-domestic consumption, if the public authority has these data.
- g. the principle agreement of the land owners regarding the right of use and servitude over the land affected by the works (notary agreements) if the networks are placed on the private domain or the statement of the town hall that it agrees with the placement of the electrical grid on the public domain;

The documents marked with () were requested by us from Zanesti City Hall

The public authority will make the copy of the PUG/PUZ available to you or to the group of users who request the operator to develop the power grid for connection purposes.

We would like to inform you that the PUZ can be replaced by a similar document, approved by a decision of the local council, such as the town planning with the subdivision of the lands related to the new consumption places, approved by the cadaster and land registry office - OCPI, from which there must result the information provided for in point b), including the destination of the land in the area for which the development of the grid is requested, necessary for the preparation of the feasibility study.

If the request is sent to the licensee distribution operator by a user/group of users, the information necessary for the preparation of the feasibility study, which the applicants do not have, is made available to the distribution operator at its request, by the public authority.

Legislative provisions:

Taking into account the provisions above, we recommend that you have the availability to go through the necessary steps with us to carry out the works for the connection to the electric energy distribution grid of the objective for which the request was made and to start the elaboration of the feasibility study.

After the submission of the application and the complete documentation, referred to in Art. 7 of the Methodology, we will prepare the feasibility study in order to determine the economic efficiency of the investment necessary for the electrification of the locality and or for the extension of the distribution grid and the technical solution is established for the development of the grid in accordance with the provisions of the technical rules in force, based on the data specified in the documentation attached to the request by you (technical solution, availability/loading of the transformer stations in the area, respectively of the related LV/MT power grids).

The assessment of investment works from the point of view of economic efficiency is carried out according to the provisions of Art 10 of the Methodology, by analyzing the following financial performance indicators established by the feasibility study:

- a) net present value (VAN);
- b) investment recovery period (DRI).

We will consider economically efficient the works for which the values of the indicators resulting from the feasibility study meet the conditions:

- a) $VAN > 0$;
- b) $DRI \leq 25$ years.

If the works required to electrify the locality/extend the electrical distribution grid are economically efficient, according to the legal provisions, Delgaz Grid SA shall ensure the financing of the total investment,

I_{total}

The methodology provides in art. 11:

(1) If, as a result of the analysis of the VAN and DRI economic efficiency indicators, it is found that at least one of the conditions provided for in art. 10 paragraph (3) is not fulfilled, the value of the I_{ef} investment is calculated as the maximum value of the investment for which both conditions provided for in art. 10 paragraph (3) are fulfilled.

(2) In the situation provided for in paragraph (1), the licensee distribution operator has the obligation to ensure the financing of the investment value, as follows:

- a) I_{total} if I_{ef} is $\geq 80\%$ of the I_{total} value of the investment;
- b) I_{ef} if the I_{ef} falls between 50% and 80% of the I_{total} value of the investment;
- c) $I_{total}/2$ if I_{ef} is $\leq 50\%$ of the I_{total} value of the investment, under the conditions of participation in the co-financing of the works with the value of the difference up to I_{total} of the public authority and/or of the user/group of users who requested the development grid for connection purposes.

After the completion of the feasibility study, we will send to the user who requested the electrification of the locality or the extension of the electrical distribution grid, a notification containing:

- ✓ the results of the feasibility study, respectively the description of the technical solution, the value obtained for I_{total} and, if applicable, the I_{ef} value;
- ✓ indicative schedule for carrying out the work;
- ✓ the proposal to participate, in accordance with the provisions of the Law, in the financing of the respective works.

The specifications regarding the co-financing manner of natural or legal persons are made in Art. 7 letter g and Art. 12 of the Methodology for assessing the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids.

In case of refusal to participate in the co-financing of the work, the expenses incurred for carrying out the feasibility study will be borne by you.

We are always available for any further information.

Best regards,
Delgaz Grid Team
Ionut Muraru
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Vasile Fuiuaga
Digital signature

Letterhead of Transgaz

No. DMEAS 363/ 04 January 2023

To,
S.C. DELGAZ GRID S.A.
Târgu Mureș, str. Pandurilor, nr. 42, zip code 540554

To the attention of: Mr. Dan Mutrescu
Email: dan.mutrescu@delgaz-grid.ro

Subject: Electric energy supply RMDS ZANESTI

In response to DELGAZ GRID SA notification no. 70489/07 December 2022, regarding the request of SNTGN TRANSGAZ SA no. 1004342408/14 March 2022 regarding the electric energy supply of the RMDS ZĂNEȘTI objective, Neamț county, we confirm the estimated co-financing quota, in the amount of 196,402.34 RON without VAT, with which SNTGN TRANSGAZ SA is required to participate in the financing of the energy supply works of this objective, in accordance with ANRE Order no. 36/2019, subsequently amended by ANRE Order no. 159/02 September 2020 - "Methodology for assessing the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids".

In compliance with the specification in Notification no. 70489/07 December 2022 regarding the indicative schedule for the execution of the works – stage I – we request you to urgently send the Association Contract and the Co-financing Contract between DELGAZ GRID SA and SNTGN TRANSGAZ SA, for signing purposes.

Best regards,
Director General
Sterian Ion
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Logo Delgaz Grid

Illegible handwriting

Stamp of SNTGN Transgaz SA

No. 96687

08 December 2022

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

SNTGN TRANSGAZ SA
P-TA CONSTANTIN I. MOTAS, NR.I
MEDIAŞ
SIBIU County
Phone: 0234-516090

Delgaz Grid SA
Grid Access Service

Str. Stefan cel Mare, nr. 74, B 101,
Radauti, Suceava County
www.delgaz.ro
Dan MUTRESCU
T +40 724 21 84 21
danmutrescu@delgaz-grid.ro

Iasi, No. 70489 / 07 December 2022

Subject.: This notification replaces notification no. 61710 on October 28, 2022 following the process of restoring the economic documentation which is part of the feasibility study carried out for the extension of the public distribution grid, for the electric energy supply of the objective "Zanesti Connection and RMDS, Zanesti Village, Zanesti Commune, Neamt County".

Following your request no. 1004342408 / 14 March 2022, through which you requested the extension of the public distribution grid for the electric energy supply of the objective "Zanesti Connection and RMDS, Zanesti Village, Zanesti Commune, Neamt County", we inform you that the feasibility study and economic efficiency indicators have been approved by the Approval Committee of SC Delgaz Grid SA (DEGR).

In accordance with Art. 16 of ANRE order no. 36/2019 - "Methodology for the assessment of investment financing conditions for the electrification of localities or for the extension of electric energy distribution grids", hereinafter referred to as the Methodology, we send you the description of the technical solution, established in accordance with the provisions of art. 9, and the necessary costs, as follows:

a) The technical solution, established by the feasibility study no. 220705/2022, prepared by POWER DESIGN SRL, approved by the DEGR Approval Committee and validated with CTE approval 529/07 September 2022, consists of:

- Works for the extension of the power grid:

LEA 20 kV - 326 m. LES 20 kV - NA2XS(FL)2Y 3X(1X150/25) MMP - 511 m. PTA 20/0.4KV, 50 KVA -1 pc.

The estimated total costs for carrying out the above works are of 392804.67 RON without VAT.

The estimated total value of the extension works, $I_{total} = 392804.67$ RON without VAT

b) Effective value $I_{ef} = 15348$ RON without VAT, for which $DRI \leq 25$ years and $VAN > 0$; The estimated co-financing share, borne by DEGR, is of 196402.34 RON without VAT, because $I_{ef} = 3.91\% I_{total}$ ($I_{ef} \leq 50\%$).

The final value of the works will be established following the public procurement procedure organized by DEGR according to the provisions of art. 17 (2), after which it will be possible to establish the works corresponding to the I_{ef} , respectively $I_{total} - I_{ef}$ values.

The estimated co-financing share, with which SNTGN TRANSGAZ SA is required to participate in the financing of the works, is of 196402.34 RON without VAT.

Following the public procurement procedure for the works, the final amount with which SNTGN TRANSGAZ SA will co-finance the works will be established.

c) Indicative schedule for carrying out the works:

- stage I: conclusion of association and co-financing contracts between DEGR and SNTGN TRANSGAZSA;
- stage II: procurement of works execution in accordance with the provisions of the public procurement regulations;
- stage III: preparation of PTh+CS, DTAC, obtaining the building permit and execution of the works.

Note: According to art. 16 of the Methodology, you have the possibility to opt for the design and execution of the work with a certain certified economic operator, in compliance with the legal provisions in force, if its offer is economically more advantageous than that of the distribution operator. If you chose this option, please send us the contract concluded by you with the certified economic operator for the design and execution of the electric energy distribution plant. In this situation, a co-financing contract will be concluded between DEGR and SNTGN TRANSGAZ SA.

d) in accordance with the provisions of the Law, you have the obligation to ensure the co-financing of the works for the extension of the distribution grid;

e) in the case of refusal to participate in the co-financing of the work, the expenses incurred for carrying out the feasibility study will be borne by the applicant for the development of the electric energy distribution grid.

In accordance with Art. 17 (5) of the Methodology, the financing by DEGR with the value of the corresponding share is conditional on your acceptance of the financing of the value mentioned above, through a confirmation letter to this effect, sent within a maximum of 60 days from the date of receipt of this notification.

According to art. 13 (1) of the Methodology, upon completion of the works, the joint committee establishes the settlement amounts in correlation with the total value of the works resulting from the taking-over protocol of the commissioning of the works, the method and the deadline for payment of the amounts of settlement, which cannot exceed 90 days from the commissioning of the grid, as well as the ownership share of the fixed assets, depending on the contributions to the financing.

We assure you of our full consideration and availability for a good collaboration. For additional information, please do not hesitate to contact us.

Best regards,

Team Coordinator Specialist
Economic Agents Grid Access,
Cosette Verdes
Digital signature

Designer Specialist
Economic Agents Grid Access
Dan Mutrescu
Digital signature

Letterhead of Transgaz

Energy Management, Automation and SCADA Division
Energy Department
Electric Plants Office
No. 10859 / 10 February 2023

Approved
Director General
Sterian Ion
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Necessity Report

regarding the commencement of the procurement of connection works to the public electric energy supply grid of the RMDS ZĂNEȘTI / ET BACĂU objective, in accordance with ANRE Order no. 36/2019, subsequently modified by ANRE Order No. 159/ 02 September 2020 - "Methodology for the assessment of the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids".

1. Object of the purchase:

Electric energy supply work according to ANRE Order no. 36/2019, subsequently modified by ANRE Order no. 159/ 02 September 2020 - "Methodology for the assessment of the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids ".

2. Category - works

The connection contracts are concluded with the licensee distributor, its activity having the character of a natural monopoly, and the framework for carrying out the connection stages is regulated by the Electric Energy and Natural Gas Law 123/2012, ANRE President's Order no. 59/2013 for the approval of the Regulation on the connection of users to public interest power grids, ANRE President's Order 102/2015 for the approval of the Regulation on the establishment of solutions for connecting users to public interest power grids, ANRE Order no. 36/2019, subsequently amended by ANRE Order no. 159/02.09.2020 — " Methodology for the assessment of the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids".

3. Allocated funds

PMDI 2023, Appendix 17, Point 19, Connection and RMDS ZĂNEȘTI

PROJECT CODE TG_RCD_10067

4. Description and substantiation of the need for works

RMDS ZĂNEȘTI is a new location, located in an area with privately owned agricultural land. In order to supply electric energy to this objective, it was sent the request for issuance of Technical Approval for Connection no. DPCI 9711/ 11 March 2022 registered at DELGAZ GRID SA with no. 1004342408/14 March 2022.

DELGAZ GRID SA communicates through the address registered at SNTGN TRANSGAZ SA with no. 34983/ 03 May 2022 that for the electric energy supply of this objective it is necessary to expand the existing distribution grid, which is why the connection procedure can take place in accordance with the ANRE Order no. 36/2019, subsequently modified by ANRE Order no. 159/02092020 - " Methodology for the assessment of the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids ".

By Notification no. 70489/ 07 December 2022, we were informed that following the feasibility study of DELGAZ GRID SA with No. 220705/2022, approved by the approval committee of DELGAZ GRID validated with CTE approval 529/ 07 September 2022, in accordance with ANRE Order no. 36/2019, resulted that SNTGN TRANSGAZ SA should participate with a co-financing share of 196,402.34 RON without VAT (in a percentage of 50% of the total value of the works of 392,804.67 RON without VAT)), based on a Contract of association respectively of a Co-financing Contract, concluded between DELGAZ GRID SA and SNTGN TRANSGAZ SA.

5. The estimated value of the works to be purchased

The estimated value of the works to be purchased results from the Feasibility Study Notification no. 70489/ 07 December 2022, drawn up by DELGAZ GRID SA.

The estimated co-financing share with which SNTGN TRANSGAZ SA is required to participate in the financing of the works is: 196,402.34 RON without VAT.

Following the public procurement procedure, the final amount with which SNTGN TRANSGAZ SA will co-finance the works will be established.

6. Contract awarding criteria

ANRE Order no. 36/2019, subsequently amended by ANRE Order no. 159/ 02 September 2020 - " Methodology for the assessment of the financing conditions of investments for the electrification of localities or for the extension of electric energy distribution grids".

7. Proposals for minimum qualification requirements

This is not the case, given the nature of the natural monopoly assigned to the licensee distributor according to the laws in force, the connection contracts can only be concluded with it, observing the legal framework.

8. The validity period of the contract and the term of execution of the works

According to the Co-financing Contract and the Association Contract concluded between DELGAZ GRID SA and SNTGN TRANSGAZ SA.

We attach:

- Request for issuance of the Connection Technical Approval no. DPC19711/11 March 2022
- DELGAZ GRID SA address registered in TRANSGAZ with no. 34983/ 03 May 2022
- Notification no. 70489/ 07 December 2022 sent by DELGAZ GRID SA;
- Draft of the Association Contract and the Co-financing Contract drawn up by DELGAZ GRID SA.

Deputy Director General
Tarsac Grigore
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CFO

Lupean Marius

Sasu Elena

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DMEAS Director

Illegible signature

Moldovan Sebastian

Head of Energy Department

Bucerzan Mircea

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Head of the Electric Installations Office

Birou Ionita

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Drafted

Marmandiu Cristian – Electric Installations Office Engineer

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