



**INFORMATIVE NOTE
REGARDING THE NEED OF RATIFICATION BY THE EXTRAORDINARY GENERAL MEETING OF
THE SHAREHOLDERS OF ROMPETROL RAFINARE SA
OF ADDENDUM NO. 3 TO THE CRUDE OIL TERM SALES CONTRACT NO. 09046 RR
01/01.2021, CONCLUDED BY ROMPETROL RAFINARE SA
WITH KAZMUNAYGAS TRADING AG
(COMPANIES NAMED IN BRIEF, IN THE FOLLOWING, RRC, RESPECTIVELY KMGT)**

A. Having in view the following:

- the permanent concern of Rompetrol Rafinare SA to ensure the amount of crude oil necessary for the safe and stable operation of the Petromidia refinery,
- the need to find optimal solutions to secure the acquisition process and in this sense, to identify other loading opportunities in other locations except the Novorossiysk terminal (in this case - UST Luga terminal on the Baltic Sea);
- the fact that the supplier of our seller, namely National Company Kazmunaygas Jsc (in short, in the following KMG NC), can provide KEBCO crude oil depending on the delivery availability of the producers in Kazakhstan and the possibilities/loading positions in terminals in Novorossiysk and, respectively, Ust Luga (Baltic Sea),
- that, for the full operation of the Petromidia refinery, minimum of 3 (three) KEBCO crude tanks of 80,000 tons each are needed monthly.
- from our seller's information, it resulted that, for the month of April, there are only 2 (two) crude oil vessels available with loading in the Novorossiysk terminal, which led KMG NC to offer KMGT/RRC the possibility of purchasing a 100,000 tons vessel with loading at UST Luga,
- since the loading in the port of UST Luga involves bearing of additional costs as the differential value caused by the deviation of the transport from the port of Rotterdam to the port of Midia Navodari, costs that are not stipulated in the framework contract,

We submit to your attention Addendum no. 3, to the Crude Oil Term Sales Contract no 09046 RR 01/01.01.2021, contract ratified in 2021 by the Extraordinary General Meeting of Shareholders of April 28, 2021.

B. In accordance with the provisions of Addendum no. 3, attached to this informative note, the parties specify that, starting from April 9, 2023, when loading is from the port of Ust Luga terminal, the parties agree to use a price formula for the determination of the price under the CIF Midia condition, identified as **Pricing Formula No 3**, thus defined:

**BRENT (DATED) + P + SPREAD URALS + F – E – \$0.2/BBL + 1.5\$/MT AT CIF Midia**

where:

- **BRENT (DATED):** THE AVERAGE VALUE OF 5 (FIVE) AVERAGE (HIGH / LOW) BRENT (DATED) QUOTATIONS PUBLISHED BY PLATTS CRUDE OIL MARKETWIRE AFTER THE DATE OF B/L (B/L DATE = DAY 0)
- **P:** SPREAD CPC BLEND CIF MINUS SPREAD URALS (ROTTERDAM) MINUS 1 USD
- **SPREAD CPC:** THE AVERAGE VALUE OF 5 (FIVE) AVERAGE (HIGH/LOW) QUOTATIONS PUBLISHED UNDER THE HEADING OF CPC BLEND CIF 'SPREAD VS FWD DATED BRENT' BY « PLATT'S CRUDE OIL MARKETWIRE » STARTING FROM THE 15TH CALENDAR DAY BEFORE THE FIRST DAY OF LOADING WINDOW (FIRST DAY OF LOADING WINDOW = DAY ZERO)
- **SPREAD URALS:** THE AVERAGE VALUE OF 5 (FIVE) AVERAGE (HIGH/LOW) QUOTATIONS PUBLISHED UNDER THE HEADING OF SPREAD URALS (ROTTERDAM) «SPREAD VS FWD DATED BRENT» BY «PLATT'S CRUDE OIL MARKETWIRE» STARTING FROM THE 15TH CALENDAR DAY BEFORE THE FIRST DAY OF LOADING WINDOW (FIRST DAY OF LOADING WINDOW = DAY ZERO)
- **F:** FREIGHT DIFFERENTIAL AND DEVIATION FROM ROTTERDAM TO FINAL DISPORT AT CHARTER PARTY COST OF THE PERFORMING VESSEL AT BUYER'S ACCOUNT. SUCH FREIGHT DIFFERENTIAL AND DEVIATION COST SHALL BE ADDED TO CARGO VALUE, INCLUDED IN SELLER'S FINAL INVOICE. DEMURRAGE AT LOAD PORT AT SELLER'S ACCOUNT AND AT DISCHARGE PORT AT BUYER'S ACCOUNT. TURKISH STRAITS DELAYS AND BUNKER WHILE AWAITING PASSAGE TO BE FOR BUYERS ACCOUNT AGAINST PRESENTATION OF SUPPORTING DOCUMENTS. HEATING, IF IT IS THE CASE, ANY ADDITIONAL COSTS OR EXPENSES AS PER CHARTERPARTY TO BE FOR BUYERS' ACCOUNT, AGAINST PRESENTATION OF SUPPORTING DOCUMENTS.
- **E:** ESCALATION/DE-ESCALATION FOR API THE FINAL UNIT PRICE SHALL BE ESCALATED BY USD 0.003 PER NET US BARREL FOR EACH WHOLE 0.10 OF A DEGREE API ABOVE 31.00 API, AND DE - ESCALATE BY USD 0.003 PER NET US BARREL FOR EACH WHOLE 0.10 OF A DEGREE API BELOW 31.09 API.
- **PLUS USD 1.50/MT** - TRADER'S MARGIN
- **MINUS USD 0.20/NET BBL** – SUPPLIER'S DISCOUNT



C. As regards **the assessment of the impact that the international sanctions regime in force targeting Russia** can have on the commercial operation in question, we understand to specify the fact that the crude oil originating in Kazakhstan (supplied by KMG NC or the subsidiaries/joint-ventures in which NC KMG has a participation, located in Kazakhstan) that transits Russia through pipelines and is subsequently loaded in Russian ports (Novorossiysk, Ust-Luga) on ships for sea transport to destinations in Europe, is expressly excluded from the embargo imposed by the European Union on crude oil /oil products originating/which are exported from Russia, in accordance with the provisions of art. 3m para. 3 lit. c) from Regulation no. 833/2014 regarding restrictive measures in view of Russia's actions to destabilize the situation in Ukraine (up-to-date form, hereinafter referred to as "the Regulation"), as follows:

"Art. 3m para. 3: The prohibitions provided for in paragraphs (1) and (2) do not apply: ... (c) regarding purchase, import or transfer of crude oil transported by sea and petroleum products as listed in Annex XXV, in case that the respective goods originate in a third country and are only loaded in Russia, are dispatched from Russia, or transit its territory, provided that both the origin and the owner of the respective goods are not Russian;"

We mention that in this case all the conditions are met for the exemption regulated by the provisions of the Regulation indicated above to fully function given that we are dealing with crude oil transported by sea, originating in a third country (Kazakhstan) which is duly certified through certificates of origin issued by the competent authorities in Kazakhstan, and all entities in the supply chain (from the producer to the KMGT seller) are legal entities that are not incorporated in Russia.

Apart from the previously mentioned exception, we specify that all the entities on the supply chain for crude oil of Kazakhstan origin (whose sale-purchase is the subject of the Contract and Addendum concluded between RRC and KMGT) are verified from the point of view of listing on the relevant international sanctions lists (such as those issued by the UN, EU, USA, UK, Switzerland, etc.) as part of the KYC (Know Your Counterparty) process carried out by the specialized structures of the KMGI Group, according to the specific procedure, by using appropriate systems for this purpose (World Check provided by Refinitiv). In addition, for each crude oil transport to the RRC, both the vessels proposed by the Shipping department of KMGT and their owner, technical and commercial operator are properly checked from the point of view of the incident of international sanctions.



In conclusion, we specify that, through this amendment to Crude Oil Term Sales Contract No 09046 RR 01/01.01.2021, it will be possible that, whenever there is a route deviation from the Port of Rotterdam to the Port of Midia Navodari, as a result of the need to load a larger crude oil vessel from Ust Luga Port, the contracting parties will be able to use the appropriate price formula, to cover the costs incurred by the new route of crude oil, applying Addendum no. 3, attached to this informative note.

ROMPETROL RAFINARE S.A.**Chairman of Board of Directors****Yedil Utekov**

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Yedil Utekov

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General Manager**Felix Crudu- Tesloveanu**

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Felix Crudu-Tesloveanu

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Finance Manager**Ramona-Georgiana Galateanu**

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Ramona Galateanu

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Supply Chain Manager**Rodica Braiescu**

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