

NOTE
REGARDING THE NEED TO SET UP A SECONDARY HEADQUARTER IN
TMUC BUILDING SITE ORGANIZATION, OFFICE NO.1, LOCATED IN CONSTANTA,
PREMISES OF OIL TERMINAL SA, SOUTH STATION PLATFORM
(SECTION 1 ON THE AGENDA)

Brief description of the current economic and logistic context.

At present, the company deliveries of gasoline and diesel on the domestic market are made according to the delivery condition FCA Petromidia Refinery gate in Navodari. According to this delivery condition, the gasoline and diesel deliveries take place at the refinery limit.

The limited logistics capacities (storage areas on the premises of the refinery and the RR uploading ramps capacity) is the main constraint within the current operational model.

The surveys carried out showed that, at the domestic level, the import of diesel may reach 1.5 million tons every year (the reference year being 2017), out of which 1 million tons are imported mainly through Constanta Oil Terminal (owned by Oil Terminal SA, "COT").

The company Rompetrol Rafinare SA potentially can replace part of imported volumes, which are being brought via Black Sea into Constanta Oil Terminal, the benefits being as follows:

- Mitigate logistics bottlenecks at refinery – delivery to COT by barges will free-up the pressure on rail loading ramps in Navodari; also, depending on the operational context, product deliveries to the sea terminal could be performed by rail road as well;
- Increase volumes of the company's total internal deliveries to current importers and resellers (meaning partial relocation of the volumes from export to internal), the sale of oil products shall be done by the company directly from the oil terminal to the domestic market with benefits in comparison to the export sales;

Legal requirements

- Until this moment, the status of fiscal warehouse of Navodari Refinery, regulated by the Fiscal Code and its methodological application norms, has been the only legal requirement that Rompetrol Rafinare SA must fulfill, because its oil products distribution and commercialization activity is carried out according to the delivery condition FCA at the refinery gate, where the actual transfer of the property right takes place over the respective products and their delivery to the buyer, its carrier or the person appointed to this purpose by the customer.
- Considering the carrying out of the activity within the oil terminal of Constanta Port, that Rompetrol Rafinare SA intends to carry out very soon when the deliveries take place outside the fiscal production warehouse, the provisions of the Order issued by the National Agency of Fiscal Administration 3236/2018 will be applicable, for the approval of the Procedure to register economic operators that trade energy products in wholesale or retail system gasoline, diesel, kerosene, liquefied petroleum gas and biofuels, as well as to approve the template and content of some forms, as further amended.
- As the storage of oil products in Constanta Oil Terminal will not be performed by the company Rompetrol Rafinare SA, but will be a service provided to our benefit by Oil Terminal SA, we have taken steps and we are going to get company registration as an operator that trades the gas and

diesel in wholesale system, but without storage, according to the registration procedure attached to this order.

- Also, from the point of view of organization of the distribution and wholesale trading of oil products activity in Constanta Oil Terminal, Rompetrol Rafinare SA needs to use the premises within the offices held in Constanta Port by Oil Terminal, where, through its employees, the Company should be able to develop **office activities**, as activity classified within **NACE CODE 4671- Wholesale of solid, liquid and gaseous fuels and related products**.
- The Company submits a lease agreement, having as object a 15m² space situated in **TMUC BUILDING SITE ORGANIZATION, OFFICE NO.1, LOCATED IN CONSTANTA, PREMISES OF OIL TERMINAL SA, SOUTH STATION PLATFORM**, owned by Oil Terminal. The agreement will be concluded for a period of 8 months and represents the location of the future secondary office whose establishment is intended by the Company.
- Pursuant to the imperative provisions of Law 31/1990 regarding trading companies, and to the provisions of the Articles of Incorporation of Rompetrol Rafinare SA (article 11.3, letter d)), the approval of the set up of a secondary headquarter of the Company corresponds to the Extraordinary General Meeting of Shareholders.

Request:

We appreciate that this information widely presents the economic advantages of the company's oil products distribution and wholesale activity (without storage) in Constanta Oil Terminal.

Therefore, we request to the shareholders of the Company convoked in the meeting of convene the Shareholders Extraordinary General Assembly on June 21, 2019 (the date of first convocation), or June 24 (the date of second convocation), in order to approve the setting up of a secondary unit in the location *TMUC BUILDING SITE ORGANIZATION, OFFICE NO.1, LOCATED IN CONSTANTA, PREMISES OF OIL TERMINAL SA, SOUTH STATION PLATFORM*, Constanta, where office activities can be performed , as well as the activity classified under 4671 NACE Code – Wholesale of solid, liquid and gaseous fuels and related products.

**ECONOMIC MANAGER
MIRCEA STANESCU**

