

**To:** BOARD OF DIRECTORS

**From:** Financial Director, Mrs. Adriana Frangu  
Chief of Financial – Budgets Dept., Mrs. Daniela Moldoveanu

**Subject:** Approval of extension for the credit line in the amount of 10,000,000 RON for a 12-month period

**No.** 761/20.07.2021

By the present, we let you know that, on 03.09.2021, the AA no.10/02.09.2020 related to the credit contract no. C12002013014744/05.09.2013 (**credit line** - financing current activity) **in the amount of 10,000,000 RON** concluded with OTP BANK ROMANIA SA for a **12-month period** expires.

#### **The requirement of a credit line type facility (work capital)**

The existence of a credit line (work capital) on the company' disposal is necessary to provide the current activity financing, in case of liquidity risk caused by the following causes:

- Uncashing of receivables in due time, as a consequence of some clients noncompliance with the payment due dates
- Losses recording from receivables due to some clients' insolvency
- Uncompliance between the due terms of cashing the countervalue of the services supplied for clients and the company' payment due dates for the obligations due to state budget (namely, the 25th of each month), salarial rights (the 14th and 28th payment each month), utilities suppliers (electricity, gas, water)
- Existence of files pending on courts having as object actions in claims against Oil Terminal, with the risk that, by civil sentences, Oil Terminal is obliged to pay for these claims in the next 12 months
- Reduction of the indicator Immediate Liquidity under the recommended value ( > 1), due to some external factors occurrence that can not be controlled by the company. The supraunitary value of this indicator provides the guarantee to cover the current debts from the current assets of the reference period

The payment of salaries, different material suppliers, works, excepting the financing of investment objectives, can be made from this type of facility.

We mention that the company will use this credit line only if the existent availability in the accounts does not cover the payment due obligations.

#### Indicative Offer

In order to perform an analysis having as object contracting a facility with lowest loan costs (namely, the identification of an optimal report between the credit costs and the financing needs of the company), by notice no. 658/28.06.2021 the company requested an Indicative Offer from the bank.

Therefore, according to the Indicative Offer no. 25061/06.07.2021, during 2021, OTP Bank proposes a decrease by 14.6% of the interest comparing to the Indicative Offer of 2020, from ROBOR 3M + 2.05% (2020) to ROBOR 3M + 1.75% (2021).

The other credit terms are maintained, namely:

- Commission of unusage 0%

- Commission of anticipated reimbursement 0%
- Commission of analysis 0.40%.
- The condition to handle monthly 50% of turnover by the current accounts opened in the bank
- Maintainance of already constituted guarantees in the bank' favour (first rank mortgages on assets).

The report regarding the maintainance of the guarantee structure related to the loan contract extension (credit line) will be sent to the Board of Directors for endorsement and to the Shareholders General Assembly for approval according to art. 12 paragraph (3) letter g) regarding GSM attributions.

Oil Terminal has the obligation to provide the assets insurance being the guarantees' object and the related insurance policies will be ceased in the bank' favour.

According to the provisions of the company's Constitutive Act, Annex no. 1, and based on the report no. 740/15.07.2021, the company's General Director endorsed the extension of the credit line for a 12-month period, having in view the Indicative Offer sent by the bank.

If the company chooses to contract a credit line type loan facility with another bank, there will be the risk to record higher costs than those generated by the extension of the contract in force. The higher costs can be represented by:

- Expenses to constitute new guarantees (a field' scrapping, cadaster, field recording, land register extract, topographer and notary fees)
- Expenses to evaluate the new guarantees to be constituted
- Expenses for different commissions of the potential credit bank

We request to be mentioned in the Board of Directors' Decision **the empowerment of the general director, financial director, chief of legal litigations dept. or the legal representatives of empowered persons to represent the company in relationships with the bank, public notary and to sign on behalf of the company the credit contracts, real estate and real estate collateral guarantee contracts, additional acts of these and any other necessary inscriptions in running the contractual relationship with the bank for the granted loans.**

According to provisions of Annex no.1 of the company' Constitutive Act, stipulating: *"Current short-term bank credits/loans (up to 1 year) with a value below 20,000,000 lei will be endorsed by the General Director, approved by the Board of Directors, and the Shareholders General Assembly will be informed"* **we submit for approval the extension of credit line in the amount of 10,000,000 Ron for a 12-month period.**

We annex to the present the following documents:

- Report no.658/28.06.2021 issued by Oil Terminal SA Constanta to the bank
- Indicative Offer issued by OTP Bank Romania SA no. 25061/06.07.2021
- Report no.740/15.07.2021 regarding the extension of credit line in the amount of 10,000,000 RON.

General Director,  
Sorin Ciutoreanu

Financial Director,  
Adriana Frangu

Chief of Legal-Litigations Dept.,  
Mihaela Emilia Ignat

Chief of Financial-Budgets Dept.,  
Daniela Moldoveanu