

No. 460/22.11.2022

Note regarding the approval of the establishment of a partnership for the capitalization of the land with an area of 38 ha located in the North Storage Area, building A and building B

Oil Terminal S.A. is a joint stock company, established as an effect of Law no. 15/1990 regarding the reorganization of the state economic units as autonomous companies and commercial companies, of the Government Decision no. 1200/1990 regarding the establishment of joint stock companies in industry, subject to the provisions of Law no. 31/1990 regarding commercial companies and the provisions of the Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises, with subsequent amendments and additions provided by Law no. 111/2016 and of the Rules of application approved by Government Decision no. 722/2016.

Oil Terminal S.A. is a Romanian legal entity with headquarters in Constanța having the legal form of a joint stock company. The company operates according to Romanian laws and is registered in the Trade Register under number J13/512/1991.

Oil Terminal S.A. is a company listed on the BSE since 30.01.1998, being registered in category I under the symbol OIL and subject to all the capital market legislation' provisions with activities defined by the Law no. 238/2004 on oil.

Oil Terminal S.A. carries out activities defined by the Law no. 238/2004 on oil, being the holder of an oil concession Agreement, approved by Government Decision no. 886/2002, concluded with the Bucharest National Agency for Mineral Resources regarding the concession of the operating activity of tanks, transport pipelines of crude oil and petroleum products, of pumping installations and of the other installations and equipments related to them.

The company is managed in unitary system by the Board of Directors (CA) appointed by the Shareholders General Ordinary Assembly.

Oil Terminal S.A. has as object of activity the performance of services regarding the receipt, loading, discharging, storage and conditioning of crude oil, petroleum products, petrochemical and liquid chemicals for import, export and transit and has as main services:

- receiving, storing, conditioning and shipping crude oil, fuel oil, petroleum products, petrochemicals and liquid chemicals for import, export and transit;
- performing technical tests and analyzes in their own laboratories for the products run;
- performing technical tests and analyzes in own laboratories for third parties;
- carrying out repairs and maintenances for the installations and facilities provided;
- renting own property;
- wholesale trade of waste and scrap.

Oil Terminal SA has a storage capacity of abt. 1.5 millions m³, being the largest operator by sea of Constanta port.

Oil Terminal SA has three storage areas (North, South, Port). Each one, according to its characteristics, is provided with:

- Shoretanks with capacities between 1,000 m³ and 50,000 m³, provided with safety protection belts, fixed or floating roof, with automatic measuring installations and fire fighting system;
- Facilities for petroleum, petrochemical and liquid chemical products loading-discharging consisting of rail platforms with a total length of abt. 30 kms with a cummulated capacity of abt. 20,000 tons/24 hours;
- Facilities for gas oil loading into railcars provided with volumetric flowmeters;
- Transport pipelines with diameters between 100 and 1000 mm, for withdrawals inside the storage farms, the connection among them and the berths where vessels are operated;
- Pump houses achieving flows between 100 and 2,500 m³/h ;
- Facilities for firefighting consisting of pipelines reaching each tank, pump houses, fire fighting stuff specific for each product, firemen equipped by fire fighting cars;
- Boiler for technological steam supply;
- RENAR authorized laboratories, provided with equipment to determine specific physical, chemical tests;
- Facilities to catch and clean waste waters;
- Equipments for railcars' manoeuvre in discharging platforms by engines and own staff, certified and authorized by the Romanian Railway Authority.

Oil Terminal is located in mol 4 within Constanta port area, berths 69-79. It operates 7 operational berths from which 6 have depths of 12.80 m and a length of 325 m – berths 69-76, berth 79 has the depth of 17.50 m and length of 393 m, allowing the operation of vessels with a capacity up to 150,000 dwt.

The main internal market competitors are:

- Midia Port Terminal, operated by Rompetrol Rafinare SA Constanta
- Galati Terminal Unicom-OIL TERMINAL
- Frial SA Constanta and Minmetal SA Constanta

The main external market competitors are:

- Terminal of Omisalj port in Croatia, which undertook the total crude oil transit to Serbia.
- Ukraine Reni Terminal

Based on its own development strategy, a works contract was concluded for the construction of a 55,000 m³ capacity tank with the aim of increasing the storage capacity in the south storage area (located outside Constanta) in order to transfer the current capacities existing in the north storage area (located inside Constanta). This tank will be used by Oil Terminal for the operation of crude oil and petroleum products and will be connected in the national transport system and with the oil berths of Oil Terminal S.A. located inside of Constanta Port.

Therefore, as the next step in implementing the development strategy, the Company published a report at the BSE and FSA calling on potential investors interested in the establishment of a partnership for the capitalization of the 38 ha land located in the North Storage Area, building A and building B .

Possible development directions in this area would be:

- **investments in the residential sector:** the construction of housing estates, including green homes by integrating innovative technologies for green energy production from renewable resources (solar energy);
- **investments in the public - private sector through the construction** of hotels, office spaces for the private sector as well as for the public sector, retail and logistics spaces, integrated real estate solution systems composed of office spaces, commercial spaces and condominium-type homes, conference rooms, performance and grassroots sports halls, recreational spaces, green spaces, parking lots
- **investments in the electricity production sector from renewable sources:**
 - the construction of a photovoltaic park;
 - solutions for the integration of innovative technologies for green energy production from renewable resources (solar energy) in the urban development that will be the object of a possible investment.

The implementation of such projects will lead to the profitability of the land and the obtaining of constant incomes, in the medium and long term, which will ensure the development of other activities related to the main object of the company's activity, therefore Oil Terminal can diversify its services and contribute to the increase of the degree covering the needs of the local and regional community, in a sustainable and responsible way. At the same time, the environmental obligations regarding this land will be fulfilled, the quality of life of the population will be improved and new jobs will be created with a strong economic impact on both the local and the national budget through direct and indirect taxes and fees to be paid.

2 potential investors showed interest. These visited the field accompanied by the representatives of the company and studied the documents made available. The company asked them to submit a formalized statement of intent to be presented to the shareholders.

Until the date of the Board of Directors meeting, only Iulius Real Estate S.R.L. submitted the offer, which we hereby attach in order to be assessed by the shareholders.

If the Oil Terminal S.A.' shareholders will approve the establishment of this partnership, we will request them to approve the acquisition within the limits provided by law, of external legal services of consultancy/assistance and/or legal representation necessary to negotiate the terms and conditions necessary for the partnership establishment and formulate the final proposal regarding its achievement method, proposal which will be sent for approval to a subsequent EGSM. We justify the request taking into account the complexity, importance and impact of establishing this partnership and we consider that it is necessary to support Oil Terminal SA' own legal body by lawyers with extensive experience in the corporate and administrative law, competition, specific legislation in the field of energy, urbanism, construction authorization, real estate and environmental law, for a complete and appropriate protection of the legal interests of the company, considering the fact that extensive specialized knowledge is required, regarding the matters given above as well as, obviously, experience in carrying out such investment projects in the residential sector, in the section of electricity production from renewable sources and public-private partnership.

According to Art. I, paragraph 3, letter a) of the Emergency Ordinance no. 26 / 06.06.2012 regarding some measures to reduce public expenses and to strengthen financial discipline and to amend and add some legal acts „(3) *In duly justified situations, in which the legal activities of consultancy, assistance and/or representation, necessary for the national companies,*

national companies and commercial companies, as well as for the autonomous companies provided in paragraph (1), they can not be provided by the legal personnel employed in these entities, services of this nature may be purchased, according to the law, only with the approval and mandate of the representatives of the state or administrative-territorial units in their management bodies: a) by the main allocating credits organ coordinator, in case of those in which the state is a full or majority shareholder. ”

The selection procedure for legal services will be carried out according to the Internal Regulation for the award of procurement contracts, complying with the approved Budget of revenues and expenses.

Therefore, we submit for the approval of the shareholders the following:

I. for the EGSM that will take place on December 28(29) 2022 at 12:00

- Approval to start the negotiations with Iulius Real Estate S.R.L. in order to establish a partnership for the capitalization of the 38 ha land located in the North Storage Area, building A and building B. The entrustment of the Board of Directors to negotiate the legal conditions and formulate the final proposal regarding the method of achieving the partnership, a proposal that will be sent for the approval of a subsequent EGSM.

II. for the OGSM that will take place on December 28(29) 2022 at 13:00

- Approval for the acquisition of some legal consultancy, assistance and/or representation services for the establishment of the partnership in order to capitalize on the 38 ha land located in the North Storage Area, building A and building B.

General Director
Sorin Ciutoreanu

Development Director
Marieta Stasi

Technical Director
Emil Rohat

Chief of Legal-Litigations Office
Carmen Lupaescu

Chief of Shareholding Communication Dept.
Georgiana Dragomir