

To: BOARD OF DIRECTORS

From: **Finacial Director, Mrs. Adriana Frangu**
Head of Financial-Budget Dept., Mrs. Daniela Moldoveanu

Subject: **Endorsement for the execution of financial operations and services as stipulated in art. XXIII of Government Emergency Ordinance no. 138/2024**

No.: 376/28.02.2025

Legal basis

In accordance with the provisions of article XXIII of *Government Emergency Ordinance no. 138/2024 for the amendment and completion of certain normative acts in the fiscal-budgetary field, as well as fro the regulation of other measures:*

„(1) Public institutions and enitites with majority or entirely state-owned capital, excluding credit institutions, may carry out financial operations and services with available funds in RON or foreign currency, including through foreign currency exchange transactions and placements or deposits with credit institutions, irrespective of the level of income thus obtained.

(2) In case of entities with majority or entirely state-owned capital, the execution of financial operations and services provided for in paragraph (1) shall be contingent upon the approval of the shareholders general meeting.”

The necessity and conditions regarding the execution of financial operations and services

OIL TERMINAL holds a strategic position in the Black Sea Area, being the largest oil terminal operating petroleum products in the Port of Constanta, whose core activity includes the provision of services regarding the receipt, loading and unloading of crude oil, petroleum, petrochemical, liquid chemical products, as well as other finished products or liquid raw materials for import, export and transit (NACE code 5224 – handling)

The oil terminal of Constanta is located in Southeast Europe, at the intersection of maritime transport corridors between Asia, Central and Western Europe and the Middle East, thereby providing services to both domestic and intra-community clients, as well as to international clients.

Consequently, the revenues derived from the core activity (services provided) represent revenues originating from operations of loading/unloading and storage of petroleum and liquid chemical products, representing an annual average of at least 97% of the company’s total revenues.

In addition, the company generates revenues from other services, including: rentals, self-performed railway shunting operations at the request of specific clients, various physico-chemical laboratory analyses, pollution control activities within the maritime waters of the oil berths and technological steam resupply.

The revenues obtained are based on both regulated tariffs (i.e., tariffs approved by the Order issued by the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide – NRAMPGSC formerly NAMR – pursuant to the Petroleum Agreement concluded between OIL TERMINAL S.A. and the National Agency for Mineral Resources, concession agreement, in accordance with Government Decision no. 886/2002 for services performed on state public domain) and unregulated tariffs (i.e., approved through the internal procedure established in accordance with the provisions of art. 18, paragraph 4.1 of the company’s Articles of Incorporation).

The available funds in RON (from domestic clients), as well as the company's foreign currency funds (from intra-community and international clients) are the result of financial transactions conducted in accordance with the company's main object of activity, and the funding source is internally generated funds and does not originate from state budget funds.

To ensure liquidity requirements in order to make payments in RON for obligations to the state budget, suppliers, employees, credit banking institutions, and other third parties, the company conducts foreign currency exchange transactions based on the RON funds available in its operational bank accounts.

In order to ensure the effectiveness of the activity, we consider it absolutely necessary that decisions regarding treasury operations of this nature (foreign exchange transactions, bank deposit constitution, etc) are made expeditiously.

Furthermore, we specify that in the event of surplus cash funds, placements will be made at the most advantageous interest rate obtainable from banking platforms or under the most favorable conditions, and the foreign exchange transactions necessary to secure the RON funds for making due payments will be executed following negotiations with the banking institution where the foreign exchange transaction will be made.

Therefore, in accordance with the provisions art.XXIII of the Government Emergency Ordinance no.138/2024, the Company is authorized to carry out financial operations and services with available funds in RON or foreign currency, including through foreign currency exchange transactions and placements or deposits with credit institutions, irrespective of the level of income thus obtained, based on the approval of the shareholders general meeting.

In order to implement the requirements of the Government Emergency Ordinance no.138/2024 and to expeditiously conduct the activity regarding financial operations and services with the Company's available funds, pursuant to art. 18 paragraph (3), letter (d) of the Articles of Incorporation, in conjunction with the provisions of art.XXIII paragraph (2) of the Government Emergency Ordinance no. 138/2024 for the amendment and completion of certain normative acts in the fiscal-budgetary field,

We respectfully request you to endorse the proposal to mandate the executive management to perform financial operations and services with the available funds in RON or foreign currency, specifically, treasury operations, including foreign exchange transactions and bank deposit constitution.

Subsequent to the Board of Directors' approval, the report will be submitted to the Shareholders Ordinary General Meeting for review and approval.

General Director,
Sorin Ciutoreanu

Financial Director,
Adriana Frangu

Chief of Financial-Budget Dept.,
Daniela Moldoveanu

Chief of Legal-Litigation Dept.,
Carmen Borșuc