

NOTE

on the modification of certain provisions of the Articles of association following the closure, namely the establishment of secondary offices of the Company within the reorganisation of the activity

I. General information

In view of the regulations of labour legislation, National Power Grid Company Transelectrica - SA ("the Company"), as an employer, has the right to establish its organisation and operation. The power to decide on the reorganisation of the Company's activity is established by the Articles of association as being the responsibility of the Directorate, which has the power to approve the **organisational structure (organisation chart) and the rules of organisation and operation and fulfils all acts and takes the necessary and useful measures for the management and fulfillment of the Company's business**, except for those assigned by law or by the Articles of association to the shareholders' general assembly and the Supervisory Board.

Accordingly, the employer (the Company) has the right to take all measures deemed necessary to reorganise the Company in order to streamline and optimise the activity, by modifying the organisational structure, being the only one entitled to an effective management vision on the activity of its employees.

Considering the Company's objectives and analysing the current Personnel organisational structure, there is a mismatch between the Organisational structure and the efficient development of the processes within the Executive and the Transmission Branches. Within the Transmission Branches, the activity's inefficiency results from the fragmentation of the decision-making process (the existence of four leading positions within each TB), which leads to an unsatisfying level of labour productivity, e.g. the technical activity within the TB is divided into two, one part being subordinated to the technical director, and the other part to the chief engineer, thus affecting the coherence, continuity and efficiency of the common work processes and procedures that constitute the core activity of each branch, by fragmenting it.

On the basis of its powers to organise the Company's activity, the Directorate intends to modify the current organisational and functional structure of the Company, most recently being approved by Directorate Decision no. 82/2020 (valid from April 24, 2020) in order to ensure an optimal organisational framework for the greater efficiency of the activities, their better coordination, as well as in order to increase the efficiency of the decision-making process. More specifically, the newly-proposed organisational and functional structure aims to streamline activity and increase productivity through the judicious use of financial and human resources. The efficiency, reorganisation and optimisation of the Company's activity is achieved by **concentrating, for a**

better coordination and management, the investment, operation, maintenance, technical and public procurement activities, human and legal resources in order to judiciously and efficiently use, in these strategic activity fields, the existing skills of the Company's personnel, including at territorial level.

Concentrating qualified human resources engaged in carrying out investment, maintenance, technical and public procurement activities, human and legal resources directly subordinated to specialised entities within the Company's Executive that will allocate these resources according to the specific needs of the Company. This creates the preconditions for increasing the degree of achievement of the Company's objectives through a unitary vision, thus contributing to the development of the Company. Following centralisation, the activity within the current territorial organisational structures (transmission branches) is significantly reduced, the direct consequence being the **need to create new organisational structures by establishing new secondary offices, their scale and complexity being adapted to the new duties and activities to be carried out within them**. Thus, the eight Transmission Branches are to be closed and eight new secondary offices with the status of **Territorial Transmission Units will be established, secondary offices without legal personality**.

Considering the statutory powers established by the law and the Articles of association in force, we specify that the decisions regarding the Company's reorganisation in order to streamline and optimise the activity, by modifying the organisational structure will be taken by the Directorate, and by reference to art. 21 para. (3) letter f), related to the provisions of art. 25 letter i) of the Company's Articles of association, updated on 06.03.2020, by Decision no. 34/23.04.2020, the Supervisory Board agreed to the following:

- a) closing the following secondary offices without legal personality of the Company:**
 - 1. Bacău Transmission branch**, headquarters in Bacău, 41 Oituz Street, Bacău County.
 - 2. București Transmission branch**, headquarters in București, 1A Ștefan cel Mare Street, district 1.
 - 3. Cluj Transmission branch**, headquarters in Cluj-Napoca, 27 Memorandumului Street, Cluj County.
 - 4. Craiova Transmission branch**, headquarters in Craiova, 5 Brestei Street, Dolj County.
 - 5. Timișoara Transmission branch**, headquarters in Timișoara, 11 Piața Romanilor Street, Timiș County.
 - 6. Constanța Transmission branch**, headquarters in Constanța, 195 A Alexandru Lăpușneanu Blvd., building LAV1, ground-floor and mezzanine, Constanța County.
 - 7. Pitești Transmission branch**, headquarters in Pitești, 25 B Frații Golești Street, Argeș County.
 - 8. Sibiu Transmission branch**, headquarters in Sibiu, 3 Corneliu Coposu Blvd., Sibiu County.

- b) establishing the following secondary offices without legal personality of the Company:**
 - 1. Bacău Territorial Transmission Unit**, headquarters in Bacău, 41 Oituz Street, Bacău County.
 - 2. București Territorial Transmission Unit**, headquarters in București, 1A Ștefan cel Mare Street, district 1.
 - 3. Cluj Territorial Transmission Unit**, headquarters in Cluj-Napoca, 27 Memorandumului Street, Cluj County.
 - 4. Craiova Territorial Transmission Unit**, headquarters in Craiova, 5 Brestei Street, Dolj County.

5. **Timișoara Territorial Transmission Unit**, headquarters in Timișoara, 11 Piața Romanilor Street, Timiș County.
6. **Constanța Territorial Transmission Unit**, headquarters in Constanța, 195 A Alexandru Lăpușneanu Blvd., building LAV1, ground-floor and mezzanine, Constanța County.
7. **Pitești Territorial Transmission Unit**, headquarters in Pitești, 25 B Frații Golești Street, Argeș County.
8. **Sibiu Territorial Transmission Unit**, headquarters in Sibiu, 3 Corneliu Coposu Blvd., Sibiu County.

II. Justification

The Articles of association of National Power Grid Company Transelectrica - SA contains **provisions referring to secondary offices with branch status (transmission branches) that must be in accordance with the future organisational structure** resulting from the Directorate Decision having as object the modification of the current structure. Thus, in the process of implementing the reorganisation of the Company in order to streamline and optimise the activity, it is necessary to amend the Articles of association; the changes will enter into force on a date set by the Directorate in line with other stages of the process. In this regard, the Directorate requests a mandate from the Shareholders' Extraordinary General Assembly to establish the date of entry into force of the amendments to the Articles of association, by reference to the reorganisation stages.

Specifically, the provisions of the Articles of association to be amended are the following:

- Title, para. (3) and para. (4) of Art. 3;
- Letter f) of para. (3) from Art. 21;
- Letter i) of Art. 25;
- Para. (3) of Art. 26;
- Para. (2) of Art. 30;
- Title and item 1 of Annex no. 1.

Amending the Company's Articles of association, according to art. 113 letter m) of Company Law no. 31/1990, republished, with later amendments and additions (hereinafter "Company Law") and art. 14 para. (2) letter n) of the Articles of association, **falls within the competence of the Shareholders' Extraordinary General Assembly**. While applying the provisions of art. 204 of the Company Law, after each amendment to the Articles of association, the Directorate has the obligation to submit to the trade register both the amending act (SEGA Decision) and the full text of the Articles of association, updated with all amendments.

III. Proposals

In view of the above, pursuant to art. 113 letter m) of Company Law and art. 14 para. (2) letter n) of the Company's Articles of association, we propose to the Shareholders' Extraordinary General Assembly:

1. the approval of the following amendments to the Articles of association in order to reorganise the Company:

1.1 The title of Art. 3 is modified, the new wording being: **"Article 3 The Company's headquarters. Subsidiaries. Secondary offices."**

1.2 Para. (3) of Art. 3 is amended, the new wording being: "(3) Transelectrica has subsidiaries organised as joint-stock companies, namely the Power Market Operator Co. Opcom - SA, the Company for Maintenance Services in the Electricity Transmission Grid Smart - SA, the Company

for Personnel Training in the Energy Sector FORMENERG - SA, the Company for Telecommunication and Information Technology Services in Electricity Transmission Grids TELETRANS - SA, the Trading Company Subsidiary Institute of Energy Research and Modernisation ICEMENERG - SA Bucharest, Company Subsidiary ICEMENERG-SERVICE - S.A. Bucharest, as well as secondary offices without legal personality, for transmission and dispatcher activities, provided in Annex no. 1 to this Articles of association."

1.3 Para. (4) of Art. 3 is amended, the new wording being: "(4) The Company may establish other secondary offices as well, without legal personality, located in other localities in the country or abroad, which will be organised as branches, territorial units, representative offices, agencies, working locations or other such units without legal personality, in accordance with the law. "

1.4 Letter f) of para. (3) of Art. 21 is amended, the new wording being: "f) establishing or closing secondary offices of the Company, in the country or abroad, (branches, territorial units, representative offices, agencies, agencies or other such units without legal personality)."

1.5 Letter (i) of Art. 25 is amended, the new wording being: "(i) approves with the agreement of the Supervisory Board the establishment or closure of secondary offices (branches, territorial units, representative offices, agencies or other such units without legal personality)."

1.6 Para. (3) of Art. 26 is amended, the new wording being: "(3) The managers of the branches, territorial units or other secondary offices of the Company shall not have the capacity to represent the Company in commercial transactions, unless the capacity to represent the Company has been expressly delegated by the Directorate and only within the limits of powers established by the Directorate. "

1.7 Para. 2 of Art. 30 is amended, the new wording being: "(2) The hiring and dismissal of the personnel from Transelectrica's branches or territorial units are done by the head of the secondary office within the limit of the delegation of powers granted to him/her by the Directorate."

1.8 The Title of Annex no. 1 is modified, the new wording being: "**LIST of the territorial transmission units, the system operators and the subsidiaries of National Power Grid Company Transelectrica - SA**"

1.9 Item 1 of Annex 1 is amended, the new wording being as follows:

"1. Transelectrica Territorial transmission units"

No.	Name of Territorial transmission unit	Locality	Headquarters
1.	Bacău Territorial Transmission Unit	Bacău	41 Oituz Street
2.	București Territorial Transmission Unit	București	1A Ștefan cel Mare Street, district 1
3.	Cluj Territorial Transmission Unit	Cluj-Napoca	27 Memorandumului Street
4.	Craiova Territorial Transmission Unit	Craiova	5 Brestei Street

5.	Timișoara Territorial Transmission Unit	Timișoara	11 Piața Romanilor Street
6.	Constanța Territorial Transmission Unit	Constanța	195 A Alexandru Lăpușneanu Blvd., building LAV1, ground-floor and mezzanine
7.	Pitești Territorial Transmission Unit	Pitești	25 B Frații Golești Street
8.	Sibiu Territorial Transmission Unit	Sibiu	3 Corneliu Coposu Blvd.

2. mandating the Directorate to establish the date of entry into force of the amendments to the Articles of association approved by the Shareholders' Extraordinary General Assembly for the reorganisation of the Company, within a period of 60 calendar days from the approval date.
3. empowering the Chairman of the Company's Directorate, following the entry into force of the amendments to the Articles of association approved by the Shareholders' Extraordinary General Assembly to reorganise the Company, to sign the updated Articles of association in the form provided by the law.

DIRECTORATE

Chairman
**Cătălin
NIȚU**

Member
**Ionuț-Bogdan
GRECIA**

Member
**Corneliu-Bogdan
MARCU**

Member
**Andreea-Mihaela
MIU**

Member
**Marius Viorel
STANCIU**