

**NOTE**

**for convening the Shareholders' general assembly in order to elect the members in the Supervisory Board of the National Power Grid Company Transelectrica SA indicating also the mandate term, and to approve the applicable remuneration and the mandate contractual form to be concluded with them**

The National Power Grid Company Transelectrica SA (hereinafter the "**Company**") is a joint-stock company managed under two-tier system in accordance with the provisions of article 153<sup>1</sup> and foll. of the Company Law 31/1990, republished, with later amendments and additions ("**Company Law**") by a directorate and a supervisory board. The Company has been listed to the BVB and is a *public enterprise* in accordance with article 2 pt. 2 let. b) of OUG 109/2011 *on the corporative governance of public enterprises*, approved with amendments and additions by Law 111/2016 (herereinafter "**OUG 109/2011**"). In accordance with OUG 109/2011 the Ministry of Economy is the *tutelary public authority* for the Company.

**On 29.11.2019 will expire the mandate contracts of provisional Supervisory board members** appointed under Decisions 16-22/20.09.2019 of the Shareholders' general assembly.

In accordance with article 111 para (2) let. b) of the Company law, article 31 para (2) of OUG 109/2011 and article 14 para (1) let. c) of the applicable Articles of association, the **competence to elect** (designate, appoint) **the Supervisory board members devolves to the Shareholders' general ordinary assembly while observing the applicable legal provisions.**

Pursuant to article 29 para (1) related to article 31 para (3) of OUG 109/2011, supervisory board members are designated by the shareholders' general assembly upon proposal of the board in office or of the shareholders'. To date the Company has not received from shareholders any request to convene the Shareholders' general assembly to elect Supervisory board members in accordance with the provisions of OUG 109/2011. Decision 9/26.09.2017 of the Shareholders' general assembly approved launching the selection procedure for members in the Company's Supervisory board by applying the provisions of

article 29 para (3) and para (5) of OUG 109/2011<sup>1</sup>. Taking into account the above by applying article 29 para (1) related to article 31 para (3) of OUG 109/2011 the **competence to propose candidates belongs actually for the time being only to Company shareholders**. Decision 23/20.09.2019 of the Shareholders' General Assembly **approved the Supervisory board's profile and the candidates' profile for member positions in the Supervisory board**.

As regards the **mandate term of Supervisory board members**, in accordance with article 153<sup>12</sup> para (1) of the Company law, the mandate term for supervisory board members is determined in the articles of association, and it cannot exceed 4 years. According to the applicable Articles of association, the second recital of article 18 para (5), the *Mandate of Supervisory Board members lasts 4 (four) years unless the Shareholders' General Assembly establishes a more curtailed term*.

In accordance with article 29 para (11) related to article 31 para (3) of OUG 109/2011, article 111 para (2) let. c) of the Company law and article 14 para (1) let. f) of the applicable Articles of association, the **Shareholders' general ordinary assembly has the competence to approve the mandate contract form to be concluded with Supervisory board members and to set the remuneration owed to Supervisory board members**. The last form of the mandate contract for Supervisory board members was approved by Decision 23/20.09.2019 of the Shareholders' general assembly and as regards the applicable remuneration, it was lastly approved by Decision 5/05.03.2019 of the Shareholders' general assembly.

In terms of the procedure for concluding mandate contracts with the Supervisory Board members to be elected, **a person needs to be mandated to sign such contracts on behalf of the Company**.

#### DIRECTORATE

<i>Chairperson</i>	<i>Member</i>	<i>Member</i>	<i>Member</i>	<i>Member</i>
<b>Claudia-Gina ANASTASE</b>	<b>Andreea Georgiana FLOREA</b>	<b>Luca-Nicolae IACOBICI</b>	<b>Virgiliu IVAN</b>	<b>Adrian SAVU</b>

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<sup>1</sup> Legal assumption when the *tutelary public authority, on behalf of the state - shareholder (...)* proposes candidates for the positions of board members