



Societate Administrată în Sistem Dualist

Supervisory Board

Compania Națională de Transport al Energiei Electrice
Transelectrica SA - Punct de lucru: Str. Otteni, nr. 2-4, C.P. 030786, București
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Capital subscris și vărsat: 733.031.420 Lei
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no. 49551/11.11.2021

NOTE
on the approval of the financial auditor by the
Shareholders' General Assembly of NPG Co. Transelectrica SA

I. General information

National Power Grid Company Transelectrica SA (hereinafter "the Company" or „Transelectrica” SA) is obliged to audit the stand-alone annual financial statements, as well as the consolidated annual financial statements, in accordance with:

✚ **Order of the Ministry of Public Finance no. 2844/2016** for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, with later amendments and additions, art. 7, para. (1) and (2), as follows:

“(1) According to the law, the stand-alone annual financial statements prepared by entities based on the accounting regulations compliant with IFRS are subject to statutory audit.

(2) According to the law, the consolidated annual financial statements prepared by entities as parent companies in accordance with IFRS are also subject to statutory audit.”

✚ **Company Law no. 31/1990**, republished, with later amendments and additions, art. 160, para. (1) and (2), as follows:

“(1) The financial statements of the companies subject to the legal obligation of auditing shall be audited by financial auditors - natural persons or legal persons, under the conditions provided by law.

(1[^]1) The joint stock companies that opt, pursuant to art. 153, for the two-tier system are subject to financial audit”.

According to art. 111, para. (2), letter b[^]1) of Law no. 31/1990, republished, with later amendments and additions, the Shareholders' General Assembly is obliged *“as regards the companies whose financial statements are audited, to appoint or dismiss the financial auditor and to set the minimum duration of the financial audit contract”.*

✚ **Law no. 24/2017** on issuers of financial instruments and market operations, republished, art. 65, para. (4): *“The issuers' financial statements, including the consolidated ones, are audited by financial auditors, in accordance with the regulations on financial audit”.*

The Company is listed on the Bucharest Stock Exchange (trading symbol TEL) since 29.08.2006, so the capital market provisions are also applicable to it.

II. Justification

For the audit of the Company's 2018 – 2020 financial statements, NPG Co. Transelectrica SA concluded contract C 111/28.01.2019 with the audit company SC BDO Audit SRL. As the audit contract terminated, the Company started the procurement procedure for a new financial audit service for 2021-2023.

The estimated approved value of these services included in the 2021 Annual Plan of Sectoral Procurement was RON 1,103,150.00.

Based on the provisions of Law no. 99/2016 on sectoral procurement, the procedure applied for the procurement of audit services was the simplified procedure.

Tender offers were submitted by the following audit firms:

- SC PKF FINCONTA SRL;
- SC MOORE STEPHENS KSC ASSURANCE SRL.

Following the verification of compliance with the participation conditions and the related minimum requirements, the following tenderer has met the participation conditions:

No.	Tenderer	The reasons behind the decision
1	SC PKF FINCONTA SRL	The participation conditions and the related minimum requirements have been met.

Following the verification of compliance with the participation conditions and the related minimum requirements, the tender offer submitted by SC MOORE STEPHENS KSC ASSURANCE SRL was declared **unacceptable** by the evaluation committee. The evaluation committee verified the electronic files submitted by the tenderer in the "Qualification documents" section and found that some files are not signed with an extended electronic signature. Thus, the provisions of art. 143 of GD no. 394/2016, with later amendments and additions, have been breached.

Following the application of the award criterion and the related calculation algorithm (Value for money), as set out in the tender documents, the resulting ranking is presented below:

No.	Tenderer	Total score	Ranking
1.	SC PKF FINCONTA SRL	90 (50 + 40) points	I

The evaluation committee designated as winner the audit company SC PKF FINCONTA SRL for the sectorial contract having as object "2021 – 2023 Financial audit services" with a total contract value of RON 1,100,000.00, VAT free, for a 3-year service period.

By Supervisory Board Decision no. 42/11.11.2021, the proposal to appoint SC PKF FINCONTA SRL as financial auditor of NPG Co. Transelectrica SA was approved.

III. Proposals

Regarding those described, pursuant to art. 111, para. (2), let. b¹) of Company Law no. 31/1990, republished, with later amendments and additions, to art. 14 para. (1) let. d) of the Company's Articles of Association, we propose to the Shareholders' General Assembly of NPG Co. Transelectrica SA the appointment of SC PKF FINCONTA SRL as financial auditor of NPG Co. Transelectrica SA, for a period of 3 years.

Marius-Vasile MORARIU

**Supervisory Board Chairman
NPG Co. Transelectrica SA**