



Transelectrica®

Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
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Economic – financial and Administrative Unit
Logistic and Administrative Department

Nr.44581/03.10.2022

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Notice

Regarding the approval by the Shareholders' Extraordinary General Assembly of the minimum value for the assured amount and the maximum value of the insurance premium for the professional liability insurance of the Comany's Supervisory Board members and of the Directorate members

I. Current status and overview

The National Power Grid Company Transelectrica (hereinafter 'The Company', 'NPG Transelectrica') is a joint-stock company managed under two-tier system under the conditions of art 153¹ and next from the Corporations Law no 31/1990, republished with later amendments and additions ('Corporations Law') by a Directorate and a Supervisory Board. The Company is a corporation listed on the BSE and a public enterprise in compliance with art 2, point 2, let b) from the government's emergency ordinance no 109/2011 on the corporate governance of public enterprises, approved with amendments and additions by Law no 111/2016 (hereinafter, GEO no 109/2011').

On 30.09.2013, NPG Transelectrica's Shareholders General Assembly met on **ordinary meeting** and took the Decision no 6/30.09.2013 on which: 'the maximum limit of the insurance premium is approved for the Directorate members and for the Supervisory Board members in the amount of 100,000 cumulative euro and the minimum limit of liability is approved in the amount of 15,000,000 euro for the professional liability insurance of Transelectrica's Directorate members and the Supervisory Board members, the company bearing the costs of the insurance premium'.

NPG Transelectrica had in progress the agreement no C128/16.06.2022, concluded between the Company and Asirom Vienna Insurance Group for a period of 24 months, with an insurance premium value of it of **185,600.00 RON** for the liability limit in the amount of 15,000,000 euro, agreement that expired on 15.06.2022.

On the current date there is no agreement in progress since the acquisition procedure for ,Insurance services for civil professional liability for the position of Member of the Supervisory Board and of the Directorate of NPG Transelectrica (included chairmen)' **has been cancelled for the second time because no offer has been submitted.**

For a realistic analysis on the estimated value of the agreement ,Insurance services for civil professional liability for the position of Member of the Supervisory Board and of the Directorate of NPG Transelectrica (included chairmen)' in compliance with the provisions in the Purchase Specification, the Logistic and Administrative Department, Economic – financial and Administrative Unit sent file no 41784/07.09.2022 to Commercial Division – UMICA requesting necessary support for posting in SEAP (the electronic public procurement system) the notice regarding the request for non-binding price offers in order to establish the estimated value for the renewing of the acquisition procedure. The due date to submit the non-bidding price offer was 20th September 2022 (h 23:30);

Only one non-bidding price offer was received and it was from Fast Brokers – Insurance-Reinsurance Broker that sent an estimated value of the agreement (12 months) of 150,000 euro for the value of 15,000,000 euro of the annual liability limit insured, mentioning that this value would be paid in full within 30 days from the issuance of the insurance policy.

II. The Statutory and Legal Framework

Regarding the **professional liability insurance of the Supervisory Board members, respectively of the Directorate members**, in compliance with art 153¹² paragraph (4) reported to paragraph (3) from the Corporations Law, 'the person appointed in one of the positions (administrator, respectively member of the directorate or of the supervisory board) **must be insured with a professional liability insurance**'.

ART. 39, paragraph (2) of GEO 109/2011 provide that:

(2) the payment for the professional liability insurance can be insured by the public enterprise, is not part of the remuneration and it will be mentioned in the mandate contract.

To this extent, article no 4.1, letter (c) in the mandate contract of the Supervisory Board's temporary members, approved by the Shareholders' Ordinary General Assembly Decision no 6/18.08.2022¹ provide that: 'THE RIGHTS OF THE MANDATEE: to benefit from an insurance agreement for civil professional liability regarding his activity within the Supervisory Board, concluded by the MANDATOR for the MANDATEE's insurance. All costs related to this agreement will be covered by the mandator'. A similar provision also exists in the mandate contract of the temporary members of the Directorate.

According to Transelectrica's Articles of Association² art 14, paragraph (3) letter e), the Shareholders' General Extraordinary Assembly has the competence to establish the minimum value of the insured amount and the maximum insurance premium value for the insurance of the professional liability of the Supervisory Board members and the Directorate members.

¹ „Regarding item 3 on the agenda, the Shareholders' General Assembly **approves** with 47,520,019 of votes For representing 85.84195% of the total number of votes cast, with 4,272,801 of votes Against representing 7.71855% of the total number of votes cast, with 3,564,752 votes Abstention representing 6.43950% of the total number of votes cast, **the form of Mandate Contract that will be concluded with the temporary members of the Supervisory Board** as being in accordance with the mandate contract model forwarded through GSS letter no 20/21589/MN/22.07.2022"

² Updated on 18.08.2022 based on Decision no 7/18.08.2022 of the Shareholders' General Extraordinary Assembly.

III. The necessity to amend the minimum value for the assured amount and the maximum value of the insurance premium for the professional liability insurance of the Comany's Supervisory Board members and of the Directorate members

Considering what was mentioned at point I and the fact that **the reinsurance market has suffered major alterations, and the reinsurance support has become more expensive and restrictive, it is necessary to change the value of the insurance premium.** When establishing the value of the insurance premium maximum it will be taken into consideration the future changes in the insurance market, so that the established value will cover the possible increases.

IV. Proposal

According to Transelectrica's Articles of Association art 14, paragraph (3) letter e) we submit to the Shareholders' General Extraordinary Assembly the approval of contracting and payment by the Company of the insurance for professional liability for Supervisory Board members and Directorate members within the following limits:

- (i) Regarding minimum value for the assured amount: 15,000,000 euro;**
- (ii) regarding the maximum value of the insurance premium: 200,000 euro.**

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