



Transelectrica®

Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice  
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Nr. 36523/2024

To: **Cătălin SAVA, shareholder of the Company**

To the knowledge of: **The shareholders registered in the Registry of the Company's shareholders at the end of the day 02.08.2024 (reference day)**

Regarding: Your e-mail registered within the Company with the number 36523/24.07.2024 having as object questions regarding items in the agenda of the Shareholders General Extraordinary Assembly convened for 12.08.2024 (the first convocation) – 13.08.2024 (second convocation)

Based on art.198<sup>1</sup> from A.S.F. nr. 5/2018 Regulation regarding issuants of financial instruments and market operations, each shareholder of the Company has the right to ask questions regarding the items on the agenda of the General Assembly, with the correlative obligation of the Company to answer the questions of the shareholders. As a result, we briefly present below the questions of the shareholder as well as the answers of „Transelectrica” S.A. (TEL) as question - answer:

| No. | Shareholder's question   | TEL's answer  |
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| 1.  | <b>Question regarding <u>item 1 on the agenda:</u></b><br>➤ <b>What is the ,new' company referred to on this item and what will be the amount of the participation in the share capital of this company from Transelectrica? What is the basis of this approach? Was there a study carried out that lead to taking this decision? If</b> | The Executive Management asks the Shareholders' General Assembly to approve the participation in creating a legal distinct person – a joint venture type company, established in Romania under the Romanian law, where Tel will be an associate together with AzerEnerji JSC, Georgian State Electrosystem and MVM Zrt., each of those four associates being a relevant party designated on governmental level by |

<sup>1</sup> art. 198 A.S.F. nr. 5/2018 Regulation:

„(1) each shareholder has the right to ask questions regarding the items on the agenda of the General Assembly. The Company has the obligation to answer the questions of the shareholders.

(2) the right to ask questions and the obligation to answer may be conditioned by the measures that companies can take to ensure the identification of shareholders, the good preparation and conduct of general meetings, as well as the protection of confidentiality and the commercial interests of companies. Companies can formulate a general answer for questions with the same content. An answer is considered to be given if the relevant information is available on the company's website, in question – answer format.”

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|                  | <p><i>there is, please make it <u>available to me</u>.</i></p>   | <p>Romania, Republic of Azerbaijan, Georgia and Hungary.</p> <p>TEL shall hold a percentage of participation in the social capital equal to that of the other associates, participation to which it corresponds a maximum contribution from TEL of 1,000,000 EURO (or equivalent in RON, including the later capital increases).</p> <p>The purpose of establishing a Joint Venture type company is to implement the Green Energy Corridor project, in accordance with the agreement between the Governments of the States of Azerbaijan, Georgia, Romania and Hungary. The existing information now and the main conditions regarding the new company were made available to the shareholders by Note no. 34051/09.07.2024.</p> <p>Regarding the Green Energy Corridor project, TEL has communicated publicly through the capital market institutions on 27.05.2024.</p>   |
| <p><b>2.</b></p> | <p><b>Questions regarding <u>item 2 on the agenda</u>:</b></p> <p><i>- please <b>detail the object of this acquisition of legal services</b> – the type of projects/transactions with targeted extraneous elements, their value and duration, the criteria for distributing these projects/transactions to the providers of this contract, etc., provided that there is a Legal Department with a structure of approximately 30 specialists in the legal field within the Company;</i></p> <p><i>- <b>what is the analysis that led to the decision to purchase these legal services</b>, considering that until now they have been provided by the employees of the Company, specialists in the legal field? What are the conclusions in clear of this analysis that led to the idea of the impossibility of providing these services in the future by the employees of the Legal Department?</i></p> | <p>As shown in Note no. 34141/10.07.2024, TEL is or is expected to be part in international projects or transactions (where <b>there are extraneous elements at least in what concerns the applicable law and the jurisdiction to settle disputes</b>)</p> <p>Taking into consideration that such projects lead to rising some rights and obligations for the Company under the conditions of a foreign law and with a competence to solve disputes other than that of the judicial bodies in Romania, a good management of legal risks requires the provision of adequate legal expertise to this situation.</p> <p>It is a common practice for all companies in the world regardless if they are or not publicly managed, their executive management is forced to manage the legal risks as effectively as possible together with the other categories of risks resulting from the economic activity of the respective company.</p> |

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| <p>- <b>what is the duration provided for this contract for the provision of legal services</b> by the decision-makers of this initiative and with what relevant aspects, results from the analyses/studies carried out prior to making this decision, is this duration correlated?</p> <p>- please <b>specify what exactly these legal services are that will be the object of this contract</b> – the type of projects/transactions with targeted foreign elements, the criteria for distributing these projects/transactions to the providers of this contract, contractual clauses, etc.</p> <p>- please <b>specify if at this moment there is a value cap approved by the Company’s management for this contract</b>; if so, please detail how the estimated value of this contract was established.</p> <p>- which is <b>the legal ground</b> for this acquisition of legal services?</p> <p>- please forward/ say <b>the internal document/ Justificatory Note</b> from which the <b>“thoroughly justified”</b> situation results <b>according to art. 1, para. 3, let. a) from GEO no. 26/ 2012</b> that foresees: <b>“(3) <u>In thoroughly justified situations</u>, when the legal consultancy/assistance and/or representation activity, necessary to national enterprises, national companies and commercial companies, as well as autonomous governments provided at para.(1) can not be ensured by the legal specialized employees from these entities,<u>services of this nature can</u></b></p> | <p>According to note no. 34141/10.07.2024, there are taken into consideration only the projects where Tel is involved in applying some governmental decisions or, as the case, in applying the European regulations rising from the status of system and transmission operator in the energy field.</p> <p>In order to manage these legal risks, the Company considers contracting legal services with proven international expertise in large – scale projects and/or transactions in which the Company’s involvement is necessary, as well as legal experience in the relevant international jurisdictions. According to the law<sup>2</sup> and the Articles of Association, the executive management of TEL has the authority and obligation to perform all the acts and to take the necessary and useful measures for the management and fulfillment of the object of activity of the Company, except for those reserved by law or by the Articles of Association for the responsibility of other governing bodies.</p> <p>The legal services that are about to be purchased while complying with the legislation of public procurement, consist of the preliminary assessment of the project or of the transaction, <i>consultancy and assistance throughout the negotiation procedure, including for the documents that set rights and obligations of the partners/associates, as well as performing the optimal solutions to make transactions, namely their preparation, development, negotiation and finalization.</i></p> <p>On the other hand taking into consideration that the Romanian State holds 58.6882% of TEL shares, regarding the purchase of some legal services by the Company, the provisions of art 1, para (3) are applicable regarding</p> |
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<sup>2</sup> Art. 153<sup>A1</sup> of Corporations Law 31/1990, republished, with later amendments and additions:

„(1)The management of the joint – stock Company belongs exclusively to the Directorate which fulfills the necessary and useful documents for the achievement of the company’s object of activity, except for those reserved by law for the supervisory board and the shareholders general meeting .”

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| <p><i>be purchased under the conditions of law, <b>only with the approval and authorization of State or territorial – administrative units representatives in their management bodies:</b></i></p> <p><i>a) <b>by the main coordinator of credits, in the case of those in which the State is a full or majority shareholder;</b></i></p> <p><i>Please keep in mind that the phrase <b>“thoroughly justified situations”</b> in the text of the law, obliges the applicant to give concrete reasons for his request, because <b>we are in the presence of an exceptional situation</b> and not in the presence of a common situation, which is why <b>please send me these preparatory documents that are previous to the convening of the shareholders in the SGEA from 12.08.2024.</b></i></p> | <p>some measures to reduce public expenses and strengthen the financial correctness and to alter and complete some normative acts, with later amendments and additions, according to which <i>,in thoroughly justified situations, when the legal consultancy, assistance and/or representation activity necessary’</i> to the Company, can not be ensured by <i>the legal specialized employees’</i> (of the Company), services of this nature can be purchased <i>under the conditions of law, only with the approval and authorization of State representatives (...) in their management bodies’</i></p> <p>Thus, the prior approval of the state representative in the ‘management bodies of the Company’ is required, this management body with respect to which the hypothesis of the law is fulfilled being the general meeting of shareholders. By referring to the provisions of art. 125 para. (2) from the Companies Law 31/1990, republished with later amendments and additions, related to art. 7 of G.D. no. 137/2020 regarding the organization, functioning and duties of the General Secretariat of the Government, with later amendments and additions, the representative of the State in the Shareholders General Assembly is the General Secretary of the Government, or as the case may be, a person expressly authorized by him.</p> <p>TEL considers it to be a thoroughly justified situations, ‘the legal specialized staff employed’ by the Company carrying out their activity within an organizational structure which has its activity and expertise directed mainly to fulfill the main object of activity under the Romanian law - the transmission of electrical energy and the fields that derive directly from this activity (investments, maintenance, technical, acquisitions), the Company being the system and transmission operator (regulated activity) with a key role on the electricity market in Romania.</p> <p>However, the purpose of the legal services to be contracted is to ensure, for the benefit of the Company, internationally proven expertise in</p> |
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|  |  | large – scale projects and/or transactions in which the Company’s involvement is necessary, as well as legal experience in the relevant international jurisdictions for the hypotheses in which imposes this necessity. Such assumptions are two examples presented in Note no. 34141/10.07.2024 – the HDVC infrastructure project and the "Green Energy Corridor" project. |
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Sincerely,

**THE NATIONAL POWER TRANSMISSION COMPANY TRANSELECTRICA**