

Annex to Supervisory Board Decision number 70/2025

Regulation of organization and functioning of the Supervisory Board of the National Power Transmission Company Transelectrica

Section 1- General Provisions

I.(1) The National Power Transmission Company Transelectrica, legal Romanian person with headquarters in Romania, Bucharest, Olteni Street number 2-4, Platinum Center building, district 3, registered with number J40/8060/2000 at Trade Registry Office, sole registration code 13328043, (hereinafter 'the Company') is a joint stock company, organized and functioning in accordance with the Romanian law (hereinafter 'the applicable law') and the Articles of Association of the Company approved by the Shareholders' General Assembly (hereinafter 'the Articles of Association').

(2) The Company is managed under a two tier system according to Corporations Law number 31/1990, republished, with later amendments and additions (hereinafter 'Corporations Law') by a Directorate under the supervision of a Supervisory Board. The intervention of any person or entity, public or private, which is not part of the management bodies is forbidden in taking decisions regarding the current activity and daily functioning of the Company.

II. (1) The Company is listed in the Bucharest Stock Exchange from 29.08.2006, thus being submitted to the provisions of the capital market legislation as securities issuer, namely Law 24/2017 regarding issuer of financial instruments and market operations, Law 297/2004 regarding capital market, the Regulations of National Commission of Securities and Financial Supervision Authority, as well as the subsequent rules and regulations of Bucharest Stock Exchange (hereinafter 'the capital market legislation and regulation').

(2) The Company is the system and transmission operator of Romania with a key role in the energy market of Romania. The energy transmission and system service represent an activity submitted to the authorization of the National Energy Regulatory Authority under the terms of the Energy and Natural Gas Law number 123/2012 with later amendments and additions ('hereinafter Law number 123/2012'). Law number 123/2012 imposes conditions for the system and transmission operator certification, these conditions being implemented at statutory level through the Articles of Association.

(3) The Company is a public enterprise in the meaning of article 2, item 2, letter b) of Government's Emergency Ordinance no. 109/2011 regarding corporate governance of public enterprises, with later amendments and additions, the provisions of this legislative act and those of the applicable rules approved by Decisions 722/2016 to approve Methodological Norms to apply some provisions of Government's Emergency Ordinance no. 109/2011 regarding corporate governance of public enterprises (hereinafter 'GEO 109/2011') being applicable to it, the Romanian State being the stakeholder of the Company.

III. (1) This Regulation sets the framework for the organization and functioning of the Company's Supervisory Board in applying the duties and responsibilities established by Corporations Law, Capital market legislation and regulation, Law 123/2012, G.E.O. 109/2011, other provisions of Applicable Law, as well as by the Articles of Association.

(2) The management bodies of the Company, the Directorate and the Supervisory Board, develop their activity mostly at the Company' headquarters in Romania, Bucharest, Olteni Street number 2-4, Platinum Center building, district 3.

Section 2- Organization of Supervisory Board. Records.

IV. (1) According to the Articles of Association, the Company's Supervisory Board (hereinafter 'the Supervisor Board' or 'the Board') is made of 7 (seven) members.

(2) Supervisory Board elects from its members a Chairman who will chair the Supervisory Board's meetings, being also responsible for the good organization of the Board's activity in order to fulfill the duties and responsibilities he has, namely, are in the task of this collective body according to Applicable Law and the Articles of Association.

(3) To ensure the typing and flow of documents at the Supervisory Board level, as well as the necessary recording, the Supervisory Board's secretariat (hereinafter 'the Secretariat') functions besides the Board, designated by the Supervisory Board's Chairman from the Company's employees.

V. The Supervisory Board will keep through its Chairman and Secretariat the following registries:

- (i) The Registry of meetings minutes and the Supervisory Board's deliberations;
- (ii) The Registry of the resolutions of Supervisory Board's ordinary and extraordinary meetings;
- (iii) The Registry of meetings minutes and the deliberations of advisory committees within the Supervisory Board;
- (iv) The Registry of representation authority delegation and/or, as the case, the delegation of authority at the level of the Company.

Section 3 – the role of the Supervisory Board. Duties and responsibilities.

VI. The essential role of the Supervisory Board is to control the manner in which the Company is managed by the Directorate, as well as to check the activity developed in the name and on behalf of the Company. In relation to this role, the Board has the right and the duty to establish the control, check and reporting modalities which are considered necessary for the fulfillment of this role and reports accordingly to the Shareholders' General Assembly.

(2) According to the Articles of Association, the Board:

The Supervisory Board has mainly the following duties:

- a) exercises permanent control on the manner in which the Directorate manages the Company;
- b) sets the structure and number of Directorate members;
- c) appoints and revokes the Directorate members and establishes their remuneration;
- d) presents to Shareholders' General Assembly at least once a year a report regarding the supervision activity developed;
- e) approves the income and expenditure budget and the investment program for financial exercise submitted to Shareholders' General Assembly approval;

- f) develops the suggestion for the management component of the Management Plan;
- g) approves in full the Management Plan, including the management component developed by the Directorate;
- h) checks the report of Directorate members and assesses annually the activity of Directorate members both regarding the mandate contract performance, as well as the performance of management component of the Management Plan and decides accordingly.
- i) Represents the Company in relation with the Directorate;
- j) Fulfills any duty foreseen by special applicable legislation in the field of public enterprises administration;
- k) Approves the Directorate Internal Regulations;
- l) Checks and approves the Company's financial statement;
- m) Checks if the activity performed in the name and on behalf of the Company is in accordance with the law, the articles of association and the decisions of shareholders' general assembly;
- n) Suggests to shareholders' general assembly the nomination and revocation of financial auditor, as well as the minimum duration of audit contract;
- o) Approves the accounting politics and the financial control system;
- p) Approves the amendment of the Company's Articles of Association before this is submitted to the shareholders' general assembly approval;
- q) Approves the suggestions for changing the social capital initiated by the Directorate;
- r) Approves and revises the Code of Ethics;
- s) Approves the company's policies and strategies according to the Directorate's suggestions;
- t) Fulfills any other duty established by the legislation in force applicable on the date of taking/approving the respective measures.

VII. The Supervisory Board represents the Company in its relation with the Company's Directorate.

VIII. In relation to the functioning of the Company's Directorate, the Supervisory Board has the following duties according to the Articles of Association:

- a) appoints and revokes the Directorate members and establishes their remuneration;
- b) determines the structure and number of Directorate members;
- c) approves the internal regulations of Directorate, including the establishing of conditions for delegation of authority at Directorate level.

IX. (1) Management duties of the Company cannot be transferred to the Supervisory Board since the management of the Company is exclusively in the duty of the Directorate according to Applicable Law.

By way of exception, as allowed by Applicable Law and foreseen in the Articles of Association, some types of operations cannot be performed without the approval of the Supervisory Board. These types of operations conditioned by the existence of an express agreement of the Board are:

- a) the purchase of products, services and works, regardless of term, with a value higher than 5,000,000 euro;

- b) operations having as subject the provision of transmission service, of system service and administration of wholesale energy market, operations to collect the high efficiency cogeneration contribution, operations for bonus payment and refund of overcompensation/undue bonus, operations for RET connections, to perform the coexistence conditions, of releasing site and execution of some works, technical consultancy and project management, related to works, lands sale-purchase operations necessary to achieve the new installations according to RET connection contracts, as well as the fields necessary for access roads to these installations, operations to establish in favor of the Company the rights of use and servitude, of superficies of use, of use, of alteration in any way on the lands affected by the new installations according to RET connection contracts, as well as any other operations to be made for the good development of the main activity of the Company in accordance with the regulations in force, with a value higher than 10,000,000 euro;
- c) Initiation, settlement, exercise, abandonment of claims, litigation, arbitration with a value higher than 500,000 euro;
- d) Commitments that involve important obligations from the Company, except the operations provided for at letters a) and b), with a value higher than 5,000,000 euro;
- e) Any act provided free of charge including sponsorships and donations offered by the company with an individual value higher than 100,000 RON;
- f) Establishment or dissolution of secondary headquarters of the Company in the country or abroad (subsidiary, territory units, representations, agencies or other units without legal personality.
- g) Changes of organizational structure (organizational chart) of the Company and of the Regulation of organization and functioning.

(3) For the operation types to which the previous paragraphs refer to, the Company's Directorate will be able to approve the operation in case only after obtaining the Board's agreement, in case of a refusal, the Directorate has also the possibility to ask for shareholders' general ordinary assembly agreement which will decide under the law.

X. The area of duties of Supervisory Board is determined by the applicable law and does not limit itself to those presented in chapters VI-IX above, the Supervisory Board:

-having responsibilities in ensuring the conditions at the company's level to develop some activities efficient in the field of financial reporting, internal control and risk management;

-in extraordinary cases, in the interest of the Company, can convoke the shareholders' general assembly;

- can when a Board position is vacant, under the law, designate a provisional member of the Board until the next meeting of shareholders' general assembly takes place, or will ask the Company's Directorate to convene the shareholders' general assembly to appoint another member who will be selected in accordance with the provisions of G.E.O. 109/2011, fulfilling any duty provided for by Applicable Law, especially the applicable special legislation in the field of public enterprises management.

XI. (1) The Supervisory Board will draw and present to shareholders' general assembly an annual report, until April 30, of the next year of the year to which it is reporting, containing:

- a) Report regarding the activity of the Board;

- b) Report regarding the supervision activity developed;
- c) Report regarding the assessment of the activity of Company's Directorate;
- d) Report regarding the remuneration and advantages granted under the law or the mandate contract to the Supervisory Board members and Directorate members;
- e) Report regarding the remuneration and other advantages granted to the Supervisory Board members and Directorate members during the financial year;
- f) A report regarding the activity of the Company.

(2) The Supervisory Board will draw and present to shareholders' general assembly a half-yearly report on the managed activity which also includes information regarding the performance of mandate contracts of Directorate members, details regarding the operational activities, the company's financial performances and the company's half-yearly accounting reports.

Section4 – duties of the Supervisory Board members in performing their mandate.

XII. (1) The Supervisory Board members will perform their mandate with the prudence and diligence of a good administrator, also having loyalty duties towards the Company. A member of the Supervisory Board does not violate this clause if when taking a business decision, as defined by Corporations Law, is reasonably entitled to believe that he is acting in the best interests of the company and based on adequate information.

(2) The Supervisory Board members have the duty to perform their mandate with loyalty, in the interest of the Company and to keep the confidentiality of documents and information received both during their mandate as well as after its termination, as well as strict compliance with the legislation and regulations of capital market regarding the inside information.

(3) The Supervisory Board members are responsible for fulfilling all the obligations provided for by the applicable law, the articles of association and this regulation. The Supervisory Board members are responsible towards the company for the damages caused through the actions fulfilled by Directorate members, when the damage would not have occurred if they would have performed the required supervision, within the limits of legal authority.

Section 5 – Avoiding the conflicts of interest at the level of the Company's Board and Directorate- Incompatibilities- Integrity.

XIII. (1) The Supervisory Board members will take decisions in the interest of the company and will not take part in debates and decisions that creates a conflict between their personal interests and those of the Company or of a subsidiary controlled by the Company.

(2) The Supervisory Board members must inform the other members of the Board and the internal auditors and not take part in any debate regarding the signaled aspects, in case:

(i) in an operation they have, directly or indirectly, interests contrary to the Company's interests;

(ii) in an operation, the spouse or husband, relatives or in-laws up to IV degree, including, are interested in.

(3) The Supervisory Board members who did not comply with the provisions of paragraph 2 are liable for damages caused to the company.

(4) The Supervisory Board will survey at the Company's level the application of:

(i) some operational solutions corresponding to speeding the identification and adequate solution of situations where a Directorate member or an employee with leading position within the company has, in a certain operation or transaction, a material interest in its own name or in the name or third parties;

(ii) approved procedures and application for transactions concluded by the Company or its subsidiaries, *with involved parties*, as those people are defined by the capital market legislation and regulations;

(iii) the best practices to ensure a substantial procedural correctness of transactions with *involved parties* (transactions with self) by using in this purpose the criteria established or recommended by the capital market legislation and regulations.

XIV. (1) The Supervisory Board members can be shareholders of the company but cannot be members of Directorate and cannot have both the position of The Supervisory Board member and employee of the company.

(2) During the validity of mandate contracts of the Company's Supervisory Board members, those appointed must fulfill the eligibility criteria and must not find themselves in incompatibility situations established by applicable law or the statutory applicable provisions. Corresponding to this obligation, the company has the right to ask the Board's members for reasonably necessary insurance regarding the compliance with these obligations.

(3) In case, during the mandate contracts validity of the Company's Supervisory Board members an incompatibility situation occurs or eligibility criteria is not fulfilled anymore, that member of Supervisory Board must expressly inform the other members of the Board and give up immediately the mandate.

(4) In the meaning of this chapter XIV, 'the eligibility criteria' refers to all conditions provided for in applicable law, as well as the general and specific ones of the company to appoint a person as member of the Company's Supervisory Board and holding this position.

Section 6 – Board functioning – convocation, meetings, decisions.

XV. Convocation - Sending convocation.

(1) Supervisory Board meetings will be convened as follows:

- (i) By the Chairman of Supervisory Board (or by a member of the Board based an authorization of the Chairman) any time it is necessary, but at least once every three (3) months;
- (ii) By the Chairman of Supervisory Board at the motivated request of two members of the Board with the condition that the subjects submitted to Supervisory Board debate shall be in the competence of this management body;

- (iii) By the Chairman of Supervisory Board at the request of the Directorate, with the condition that the subjects submitted to Supervisory Board debate shall be in the competence of this management body;
 - (iv) By two members of Supervisory Board only when the Chairman does not convene the Board's meeting, as mentioned at items (i), (ii) and (iii) above.
- (2) Supervisory Board meetings will be convened by a written notice at least five (5) working days before the date suggested for the meeting. The notice period will not include the day when it is sent and the day the meeting will take place. The notice will be sent to all Board's members, according to the Articles of Association provisions.
 - (3) Supervisory Board meetings convocation will be sent to each member of Supervisory Board in writing, at the address or e-mail or fax number of that Supervisory Board member. Each member of Supervisory Board must inform the company in writing regarding any change in contact data and cannot contradict irregularities to the company regarding the notification if the contact data change was not notified in this manner by the Supervisory Board member.
 - (4) The notice regarding the gathering of Supervisory Board will mention the date and hour of meeting, as well as the fact that it will take place at the company's headquarters (except the case the convening notice mentions another place, case when the address is mentioned). The notice of the Board meeting will also mention the agenda and will contain all the documents related to the items of the agenda that will be discussed during the meeting.
 - (5) The Supervisory Board cannot decide over some problems that are not included on the agenda, except the case when all the present members agree to include them on the agenda.
 - (6) The Supervisory Board can gather at any time but at least once at 3 (three) months. If the Supervisory Board is convened at the request of two of its members or of the Directorate, the convocation will be sent in maximum five (5) days from receiving the request.

XVI. Supervisory Board meetings

- (1) The Supervisory Board meetings are chaired by Supervisory Board Chairman, but in his absence, by a member elected by the present members. When convening and conducting the Board meeting, the Chairman is assisted by the Secretariat.
- (2) In special situations, the Supervisory Board meetings can take place using devices through which all people attending the meeting can hear one another (telephone, video-conference) or e-mail, the communications will contain the electronic signature of participants and the participation of such a meeting is considered participation in person with the purpose of fulfilling the requirements regarding quorum and voting conditions.
- (3) Each Supervisory Board member can authorize another member to vote within a certain Supervisory Board meeting. The document regarding the authorization will be recorded in the Delegation of Representation Authority Registry before the meeting and/or as the case, the Delegation of Authority Registry at the Company's level.
- (4) The Supervisory Board can also decide without complying with the convocation deadline mentioned at provisions XV paragraph (2) if all members are present or represented in the meeting.

- (5) In case of emergency, The Supervisory Board can decide in writing without gathering if all members agree with the decisions without holding a meeting. In order for a decision to be made without holding a meeting it is necessary for the proposal to be communicated in writing to all Board members while complying with provisions of XV paragraph (3) and have the related documents attached to it before making the decisions.

XVII. The Supervisory Board Decisions- writing- records.

- (1) In order for the decisions to be valid, at least 5 members of Supervisory Board must be present or represented.
- (2) The Supervisory Board resolutions are taken with the majority of votes of the Supervisory Board that attends the meeting or are represented in it. In case of runoff vote, the Supervisory Board Chairman or the person empowered to chair the meeting will have the decisive vote.
- (3) The Supervisory Board will appoint the Directorate members with the vote of the majority of its members.
- (4) The Supervisory Board's debates will be written in the meeting minute which is typed, signed and added to Debates and Meetings' Minutes Registry. The meeting minute is signed by each Supervisory Board member present within the meeting and by the person who ensured the secretariat of the meeting.
- (5) Within 24 hours from ending the meeting, the absent members will be informed regarding the decisions taken within the meetings where they were not present.
- (6) The Supervisory Board meeting will be audio recorded and the recordings will be archived through Supervisory Board Chairman assisted by the Supervisory Board Secretariat and the competent organizational entity in the IT field, except the Supervisory Board meetings that take place via e-mail.
- (7) Usually the content of the minutes represent a resume of Supervisory Board meetings' debates recorded.
- (8) After the end of the Supervisory Board meeting, no change of the items supported by the Board members within debates can be changed.
- (9) The Supervisory Board decisions, as writings that contain the decision resulted after voting within the Board, are signed by Supervisory Board Chairman or the person authorized to chair the meeting, in accordance with the meeting's minute and are recorded in *the Supervisory Board Ordinary and Extraordinary Meetings Decisions' Registry*.
- (10) The Supervisory Board decisions are communicated to the Directorate in scanned or letter format. Through the care of the Secretariat, the Directorate of the Company will be informed by e-mail, as soon as possible but not later than 24 hours from ending the meeting, about the decisions taken by Supervisory Board in that meeting, the requests of the Supervisory Board for the Company's Directorate and/or the subordinated structures, as well as the date established for the next Supervisory Board meeting, if this was set.

XVIII. The Secretariat

- (1) The Supervisory Board Secretariat has mainly the following duties:

- a) Assists the Supervisory Board Chairman in sending the convening notice to all Board members, together with the related materials/documents in the deadlines set in accordance with the provisions of this Regulation and the Articles of Association;
- b) Checks that the documents are complete and are approved by the specialized organizational entities within the Company;
- c) Assists the Supervisory Board Chairman in the good organization and development of Supervisory Board's gatherings;
- d) Types the convening notice and the decisions of the Supervisory Board;
- e) Records the debates within the Supervisory Board meetings and types the meeting minute;
- f) Checks that the meeting minutes have the signatures of all the members present at that meeting;
- g) Sends inside the company the Decisions and/or, as the case (according to Board Chairman's indications) excerpts from Decisions in order to be implemented;
- h) Keeps up to date and under corresponding conditions, all the documents and registries related to the activity developed by the Supervisory Board, ensures document archiving according to archiving procedure;
- i) Performs recordings in the registries mentioned at chapter V.

(2) The materials/documents for meeting will be submitted at the Board's Secretariat within the deadlines set. The deadlines established for the receipt of documents to be included on the agenda of the Board meetings are time-barred. The non-compliance with them leads to the lack of including them on the agenda.

XIX. The materials/documents.

- (1) The materials/documents for meeting will be submitted at the Board's Secretariat within the deadlines set, thusly: any material/document developed by the executive management that requests the Supervisory Board to take a decision will have the title 'Note' and its content must be well structured and argued, must clearly and concisely present the request for decision, including the regulatory, statutory and legal framework asked by Supervisory Board in order to take such a decision. Based on the nature of the request, this must include opinions, proposals, as the case, alternative analyses.
- (2) Submitting all the materials/documents issued within the Company to the Board will be made with the signature of the Directorate, this showing the support of the Directorate of the content of materials, their legality and opportunity. The correctness and accuracy of the data presented and transmitted for argumentation is the responsibility of those who prepare, verify and sign them as well as of the Company's Directorate.

Section 7- Supervisory Board Committees- Members and duties.

XX. (1) Within the Company's Supervisory Board the following are mandatory formed:

- a) Remuneration and Nomination Committee;
- b) Audit Committee;
- c) Risk Management Committee;
- d) Committee for Investments and Energy Security;

- (2) The Committees will regularly or at any time necessary forward reports on their activity.
- (3) The Supervisory Board can decide to form advisory Committees with permanent activity or created for a subject of a specific problem in the fields which are in the authority of the Board.
- (4) The advisory Committees members within the Board are nominated by Supervisory Board from its members and are formed of at least 2 (two) Board members. One of the Committees members is appointed chairman of the Committee.
- (5) At least one member of each committee created must be an *independent administrator* in the meaning that rises from Corporations Law, Legislation and capital market regulations. Regarding the Audit Committee, the majority of the members must be *independent administrators*.
- (6) The Directorate Chairman can be appointed as member of the nomination committee created by the Supervisory Board without gaining the quality of member of Supervisory Board by this.
- (7) Any member of an advisory Committee can convene a committee meeting of the committee belonging to. The convening notice of the advisory committee meeting will be sent to each Committee member in writing, by fax or e-mail at the address and fax number of that Committee member.

XXI. (1) Remuneration and Nomination Committee makes proposals for the position of Directorate member, develops and makes proposals to Supervisory Board regarding the selection procedure of Company's Supervisory Board members, Directorate members, makes proposals regarding the development of a remuneration policy for Directorate members in accordance with the Company's development strategy, objectives, values and interests, complying with the remuneration general limits approved by shareholders' general assembly. The committee has the obligation to supervise the implementation of remuneration policy for the Directorate.

- (3) Remuneration and Nomination Committee has the following duties without prejudice to the responsibility of the members of the Board, Directorate members or other people who under the applicable law have responsibility regarding the management and supervision of the Company:
 - a) Develops and suggests selection criteria for Directorate members in line with the professional profiles and the strategic objectives of the Company;
 - b) Develops recommendations regarding the level of the variable component of Directorate members' remuneration, thoroughly motivated, formulated based on a comparative study of remuneration conditions for similar positions in other companies from the same activity field, with majority or full state capital in Romania and from other European sources, as the case;
 - c) Develops an annual report regarding remunerations and other advantages granted to Supervisory Board and Directorate members during the financial year. The report is presented to shareholders' general assembly that approves the annual financial statement. The report must be available to shareholders on the internet page of the Company and must include at least information regarding:
 - 1. The structure of remuneration, explaining the percentage of variable component and fixed component;

2. The performance criteria substantiating the variable component of remuneration, the report between the performance achieved and the remuneration;
3. The facts that justify any scheme of annual bonuses or non-monetary advantages; any additional or early pension schemes;
4. Information regarding contract validity, negotiated notice period, the amount of damage – interests for revocation without just cause.

(3) Remuneration and Nomination Committee gathers quarterly or at any time necessary to perform an evaluation of the Directorate activity in order to establish the proportionality between the established performances and their percentage of achievement, on one hand, and the monetary or non-monetary advantages stipulated in their contract (no matter if they were paid or granted, as the case) on the other hand, that is forwarded to Supervisory Board.

XXII. (1) The Audit Committee assists the Board in fulfilling its responsibility in the field of financial reporting, internal control and risk administration.

(2) The Audit Committee has the following duties related to financial reporting and statutory audit, without bringing prejudice to the responsibility of the members of the Board, Directorate members or other people who under the applicable law have responsibility regarding the management and supervision of the Company:

- a. it monitors the financial reporting process at the Company's level;
- b. it monitors the statutory audit of annual financial statement and consolidated annual financial statement;
- c. it regularly examines the efficiency of financial reporting;
- d. it checks and monitors the independence of statutory auditor or of the audit company and especially, the provision of additional services of audited entity;
- e. it makes recommendations to the Board regarding the nomination of external auditor (statutory auditor or audit company) of the Company regarding selection, nomination, re-nomination and replacement of external auditor, as well as his/its remuneration terms and conditions.;
- f. it monitors the independence and objectivity of the external auditor, especially by monitoring the rotation of partners in the audit company;
- g. it receives and analysis the external auditor report regarding essential elements that results from statutory audit and especially regarding the significant deficiencies of internal control on financial reporting process;
- h. it gives support to the Board in monitoring the credibility and integrity of financial information provided by the Company, especially by revising the relevance and consistency of accounting standards applicable by it (including the consolidation criteria).

(3) The Audit Committee has the following duties in the field of managerial internal control, without bringing prejudice to the responsibility of the members of the Board, Directorate

members or other people who under the applicable law have responsibility regarding the management and supervision of the Company:

- a. it monitors the effectiveness of internal control systems, internal audit, as the case, and risk management within the Company;
- b. it regularly examines the efficiency of internal control, internal audit and risk administration system taken by the Company;
- c. it makes sure that the audit analysis performed as well as the audit report made as a result, are in compliance with the audit plan approved at the Company's level;
- d. it gives suggestions to the Board regarding the control, verification and reporting necessary to perform essential control duties on the manner in which the Directorate manages the Company, as well as regarding the control of the activity developed in the name and on behalf of the Company;
- e. it checks the fulfillment of obligations regarding non –financial reporting at the Company's level.

(4) The Audit Committee will gather any time it is necessary but at least two times a year when it will deal with the annual and half-yearly results and their spreading to the shareholders and the public.

(5) The Audit Committee will be informed regarding the activity schedule of the external auditor and will receive a report from it which details all the existing relations between the external auditor on one hand and the company and the group it belongs to, on the other hand.

XXIII. (1) Committee for Investments and Energy Security has the following duties:

- a. Consultation and monitoring of Company's Investment Plan and Strategy implementation on medium, short and long term;
- b. Counseling and consultation with Supervisory Board members, Directorate members and with Company's executive management in the framework and in correlation with the Company's strategy and ROF, without bringing prejudice to the responsibility of the members of the Supervisory Board, Directorate members or other people who under the applicable law have responsibility regarding the management and supervision of the Company;
- c. Consultation and monitoring of the implementation of activity regarding the maintaining and increase of energy security, relevant to Company's activity.

(2) Committee for Investments and Energy Security has the following objectives:

- a. monitoring the establishment and reach of targets and strategic development directions of high voltage electrical networks of the Company;
- b. monitoring the establishment and fulfillment of strategic criteria to define:
 - Annual Plan of Investments –PAI (including the prioritization algorithm);
 - RET ten- year development plan;

- the vision of the Company regarding the update of RET ten- year development plan;
- c. post-investment monitoring and monitoring indicators within the investment project;
- d. regularly monitoring and examining of energy security and actions that lead to the raise of the degree of Energy Security.

(3) Committee for Investments and Energy Security will make recommendations to the Supervisory Board:

- a. to improve the vision and internal transparency of the development and strategic activity in accordance with ANRE requirements (correlation with regulation period);
- b. to set the priority investments and development directions of assets in accordance with ANRE requirements (correlation with regulation period);
- c. to obtain the relevant and synthetic reports that speeds immediate decisions and have a major impact in reaching the specific indicators of energy transmission activity;
- d. to fulfill the obligations regarding the efficiency of energy transmission activity, of energy transmission service, operational efficiency (team coordination).

(4) The Committee for Investments and Energy Security will give support to Supervisory Board regarding the maintaining and increase of Energy Security that will speed immediate decisions with a major impact in reaching the specific indicators of energy security in the energy transmission activity.

XXIV. Risk Management Committee has the following duties:

- A. Assesses and approves the Company's risk management policy;
- B. Monitors the efficiency of risk management systems within TEL;
- C. It has the responsibility to understand the spontaneous evolutions in the field of information technology and artificial intelligence, with the purpose of bringing contribution to the decrease of risks associated with cyber security. More exactly, it gives an appropriate attention to risks and opportunities produced by artificial intelligence and cyber security to ensure a clear and full understanding of cyber protection measures;
- D. It revises annually or any time it is necessary the risk management framework within the Company;
- E. It monitors the development and implementation of politics regarding the conflicts of interests and transactions with the affiliated parties.
- F. It collaborates with the audit committee members within the Supervisory Board, as the case, for an integrated approach on risks;
- G. It makes sure that the specialized structure within the Company has the proper authority, resources and procedures to assist the Supervisory Board in assessing the effectiveness and efficiency of the risk management framework within the Company;
- H. It monitors the conformity framework of the Company with the legal, regulatory and internal regulations requirements, including the reporting procedures of violating the law or the Code of Ethics;
- I. It assesses if the company's activities fit the assumed risk limits;

- J. It regularly presents reports to the Supervisory Board regarding significant risks and the efficiency of control measures;
- K. It annually presents a report on the significant risk management systems of the Company.

Section 9 – Checking the fulfillment of Directorate mandate contract

(10) In applying the provisions of article 7.2 of mandate contract, the Supervisory Board has the right to take actions against the Directorate members if it notices the non-fulfillment, delay or faulty execution of mandate contract, of the implementation of Management Plan which contains the financial and non-financial performance indicators approved by shareholders' general assembly, as well as of a decision issued by the Supervisory Board.

(2) The measures are applied gradually, respecting the principle of proportionality, and may be of the nature of those listed, but not limited to, as follows:

- a. The measure of a warning indicating the violated provision, the remedial term if applicable, transmitted by internal correspondence by the Supervisory Board, through the Technical Secretariat.
- b. According to mandate contract article 3, item g and article 11, item 1, the Supervisory Board can take the measure of decreasing the monthly gross remuneration, by complying with legal limits, starting the month of noticing the non-conformity in performing the mandate, on undetermined period or until the remedy of non-conformity.
- c. The measure of revocation or the faulty non-compliance of contractual obligations, as mentioned at article 7.2 of mandate contract and/or other non-compliances with a significant impact on the company's activity and/or repeated.

(30) Each measure will be communicated to Directorate member(s) by a written notification which will include:

- description of observed non-compliance;
- the ground of Supervisory Board decision;
- term to remedy and apply.

(4) The Directorate member(s) have the right to have a point of view in 5 working days from receiving the notification, addressed to Supervisory Board. The point of view will be analyzed in a further meeting and the Supervisory Board decision will be communicated within 10 working days from the Supervisory Board meeting.

Section 10 – Final provisions

XXIV. (1) The provisions of this Regulation is completed with the provisions of the Articles of Association and of the Applicable Law. If the Articles of Association or the provisions of the Applicable Law that impacts this Regulation are changed, the Chairman of the Board suggests the amendment of the Regulation accordingly.

(2) The amendment and addition to this Regulation is made in accordance with its approval rules.

(3) The amendment of the legislation which annuls or changes any of the provisions of this Regulation must not make all the Regulation null and void, but they replace any null and void provision.

SUPERVISORY BOARD

Chairman

Dascăl Cătălin-Andrei

Member Păun Costin-Mihai	Member Atanasiu Teodor	Member Vasilescu Alexandru-Cristian	Member Zezeanu Luminița	Member Orlandea Virgil-Dumitru	Member Rusu Rareș-Stelian
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