

## D R A F T

### DECISION No. \_\_\_\_ Of the Shareholders' General Ordinary Assembly of the National Power Grid Company Transelectrica SA of 20/23 september 2019

The Shareholders' general ordinary assembly of the National Power Grid Company Transelectrica SA, managed under two-tier system, established and acting in accordance with the Romanian legislation, registered with the National Office of the Trade Register from Bucharest Tribunal under no. J40/8060/2000, fiscal code 13328043, having its headquarters in Bucharest City 1, Blvd. General Gheorghe Magheru 33, share capital subscribed and paid of 733,031,420 Lei, divided into 73,303,142 nominative ordinary dematerialised shares of 10 Lei nominal value each, having assembled on **20/23 september 2019, 10:00 h**,

Attended by shareholders representing \_\_\_\_\_% of the share capital and \_\_\_\_\_% of the total voting rights,

In accordance with the provisions of Company law 31/1990, republished, with later amendments and additions, of Law 297/2004 on the capital market, with later amendments and additions, of Law 24/2017 on the issuers of financial instruments and market operations, of ASF Regulation 5/2018 on the issuers of financial instruments and market operations, issues the following

#### D E C I S I O N:

With respect to the agenda items under nos. 2, 3, 4, 5, 8 and 9 as follows:

1. As regards **item 2 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, it is approved the remuneration of the temporary members of the Supervisory Board as the one approved by the decision of the A.G.O.A no 3/05.03.2018.
2. As regards **item 3 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, it is approved the structure of the mandate contract as the one approved by the decision of the General Shareholders Assembly no 5/29.03.2018 and will include the amendments of article 5 decided by AGOA Decision no 12/28.09.2018 and the Ministry of Economy's representative in the General Assembly of Shareholders is authorized to sign the structure of the addendum of the Board of Supervisors' provisional member.

3. As regards **item 4 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, the profile of the Supervisory Board is approved in the attached form.
4. As regards **item 5 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast**, the profile of candidates for the position of member of the Supervisory Board is approved in the attached form.
5. As regards **item 8 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, approving **09 october 2019** to be set as **registration date** for the shareholders who will be touched by the effects of the Decision taken by the Shareholders’ general ordinary assembly.
8. As regards **item 9 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, empowering the assembly chairperson, \_\_\_\_\_, to sign the Decision of the Shareholders’ general ordinary assembly and the documents necessary for registration and publication of such Decision of the Shareholders’ general ordinary assembly according to legal provisions. \_\_\_\_\_ can mandate other persons to carry out the publicity and registration formalities for the Decision of the Shareholders’ general ordinary assembly.

#### **ASSEMBLY CHAIRPERSON**

**Technical Secretary,**



## ADMINISTRATION CUSTOMISED PROFILE OF CNTEE TRANSELECTRICA'S SUPERVISORY BOARD MEMBERS

Drawn up by  
PLURI CONSULTANTS ROMANIA

## 1. Introduction

According to the company's articles of association CNTEE Transelectrica SA's Supervisory Board will be constituted of 7 members in the future mandate. These 7 members of the Supervisory Board cannot be members of the executive board simultaneously. Also, they cannot cumulate the capacity of supervisory board member with the capacity of company employee (art. 1538 of Company Law 31/1990).

The supervisory board's main tasks are listed in art. 1539 of the Companies Law 31/1990, being the following:

- a) Exercising permanent control over the company's management by the executive board;
- b) Appointing and dismissing the executive board members;
- c) Verifying the compliance with the law, the articles of association and the general assembly's decisions of the company's management actions;
- d) Reporting at least once a year to the shareholders' general assembly on the supervisory activity carried out.

The supervisory board members must loyally fulfil the obligations stipulated by the law, in the company's interest (art. 1441 of Company Law 31/1990).

The law obliges the supervisory board members to attend the shareholders' general assemblies.

According to Company Law 31/1990, the relations between the supervisory board members and the company are regulated by the provisions regarding the mandate and by the special rules contained in the Company Law.

The appointment of the supervisory board members is made by the shareholders' general assembly. In order to be legally valid, the person appointed as supervisory board member must accept the mandate.

The mandate term of the supervisory board member is established by the articles of association, for a 4 year period. The supervisory board members are answerable, according to the law, in civil (delicts or contractual), criminal, administrative terms, as the case may be.

The Supervisory Board may set up advisory committees responsible for conducting inquiries and drawing up recommendations for the board, in accordance with art. 153

of Company Law 31/1990. The fields in which the advisory committees operate are: audit, remuneration of the executive board and supervisory board members, as well as of the company personnel, candidate nomination for various management positions in the company etc.

In the case of joint stock companies, if their annual financial statements are subject to a legal obligation of financial audit, it is mandatory to set up an audit committee.

The advisory committees consist of at least two members of the supervisory board, provided that at least one member is independent. The law requires at least one member of the audit committee to have relevant experience in applying accounting principles or in financial audit.

Also, according to article 34 of OUG 109/2011 establishing the audit committee and the nomination and remuneration committee within the Supervisory Board is mandatory.

The 7 positions of CNTEE TRANSELECTRICA SA Supervisory Board member and their responsibility areas are:

|  |   |
|--|---|
| M1 – Leadership and Management                               | M5 – Corporate Governance, Communication, Relationship with APT |
| M2 – Economic Analysis and Strategy                          |   |
| M3 – Financial audit, Accounting                             | M6 – Operation, Asset Management, Investments                   |
| M4 – Business development strategies, Drawing European funds | M7 – Infrastructure Regulation and Operation                    |

The contextual requirements according to which the profile of CNTEE Transelectrica SA Supervisory Board is determined and implicitly, the profile of its candidates must integrate the company's vision, mission and values.

This context requires that the Supervisory Board members of CNTEE Transelectrica SA meet the following contextual requirements:

- A good vision on the company's role, on its position on the market, on the strategy the company has to establish and put into action in order to fulfil the assigned mission;
- A good and permanent global view on the constraints the company faces but also on the opportunities it has and from which it must profitably benefit;
- The ability to quickly identify and operationalise optimal solutions meant to effectively respond to the technical, financial, economic and social constraints

faced by the company, diminishing them, but optimally responding to the identified opportunities, making the most of them;

- The ability to analyse at first various situations, then to make correct decisions in due time, decisions that are adapted to the greatest extent to the company's context;
- The ability to inspire the whole organisation through the right measures and actions the desire to make the necessary efforts to reach the strategic objectives;
- The capacity to establish an organisational culture based on the integration of society's values;
- The accountability of running the company within the limits set by the public supervisory authority and the Supervisory Board and doing all the due and permitted diligence to produce the expected results;
- Initiating, maintaining and developing good working relationships with representatives of authorities, regulatory and control bodies, customers, suppliers, other stakeholders.

In addition, the members of the future Supervisory Board must be able to meet the following generic requirements:

- Have at least the necessary knowledge, skills/abilities, attitude/behaviour and experience to successfully fulfil the Supervisory Board member mandate;
- Know the position's responsibilities and be able to build a view in the medium and long term;
- Have the ability to correctly represent the company's interests and image in the economic environment and initiate, maintain and develop relationships based on trust with suppliers, customers and authorities;
- Show integrity, honesty and transparency in the relations with the other Supervisory Board members, with the members of the executive board and with the company;
- Have developed the following skills: constructive criticism, teamwork, communication, managerial, financial and operational culture, decision making and pattern identification and avoidance/elimination to contribute to the activity of the CNTEE Transelectrica Supervisory Board as a whole;
- Be familiar with the requirements of corporate governance and contemporary management practices;
- Be familiar with effective modern financial management practices, including CNTEE Transelectrica SA Supervisory Board fiduciary responsibilities and the principles of financial accounting, financial audit and financial reporting;
- Understand the importance of organisational risk assessment and mediation and be familiar with risk management methodologies and processes.

For CNTEE Transelectrica SA Supervisory Board members to be able to meet requirements, the following skills and features must be at the highest level:

- Meet all the mandatory criteria mentioned in the attached matrix;
- Have a state of health corresponding to the position's needs, certified according to the law; when signing the mandate contract, attested by a medical certificate;
- Have full exercise capacity;
- Must know and be an experienced user of Romanian and, optionally, be able to speak an international language (preferably English)
- Have no entries in the fiscal and judicial records;
- When signing the mandate contract, not to be in a incompatibility situation or in a conflict of interests;
- As far as their prior professional activity is concerned, not to have been finally and irrevocably convicted for crimes related to it;
- For alleged facts arising from their professional activity, not to be the subject of a criminal investigation related to it

The following are the eligibility criteria, the common abilities and the specific professional abilities for the 7 positions of Supervisory Board member:

| Eligibility criteria  | Advantage  | Specific abilities  |
|---|--|---|
| <b>M1. Leadership and Management</b>  |  |   |
| <ul style="list-style-type: none"> <li>- Long-term completed university studies or equivalent</li> <li>- Minimum 10 years of prior professional activity</li> <li>- Minimum 5 years of experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.</li> </ul> | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of companies the same size as CNTEE Transelectrica SA;</li> <li>- Prior professional experience in companies listed on the stock exchange</li> <li>- Experience in administration/supervision/management of energy companies</li> </ul> | <ul style="list-style-type: none"> <li>- Strategic leadership</li> <li>- General management</li> <li>- Organisational performance management</li> </ul> |
| <b>M2. Economic Analysis and Strategy</b>   |  |   |
| <ul style="list-style-type: none"> <li>- Long-term completed university economic studies or equivalent</li> <li>- Minimum 10 years of prior professional activity</li> <li>- Minimum 5 years of professional experience in economics</li> <li>- Minimum 5 years of</li> </ul>   | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of energy companies</li> </ul>  | <ul style="list-style-type: none"> <li>- Strategic planning</li> <li>- Budgeting</li> <li>- Economic analysis</li> </ul>                                |

|   |   |   |
|---|---|---|
| experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.   |   |   |
| <b>M3 – Financial audit, Accounting</b>   |   |   |
| <ul style="list-style-type: none"> <li>- Long-term completed university economic studies or equivalent</li> <li>- Minimum 10 years of prior professional activity</li> <li>- Minimum 5 years of professional experience in financial audit, accounting or financial consulting</li> <li>- Minimum 5 years of experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.</li> <li>- Independent Supervisory Board member</li> </ul> | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of energy companies</li> </ul> | <ul style="list-style-type: none"> <li>- Financial analysis</li> <li>- Financial audit</li> <li>- General accounting</li> <li>- Cost accounting</li> </ul>  |
| <b>M4 – Business development strategies, Drawing European funds</b>   |   |   |
| <ul style="list-style-type: none"> <li>- Long-term completed university studies or equivalent</li> <li>- Minimum 10 years of prior professional activity</li> <li>- Minimum 5 years of experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.</li> </ul>   | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of energy companies</li> </ul> | <ul style="list-style-type: none"> <li>- Marketing management</li> <li>- Investment management</li> <li>- Elaboration of funding applications</li> <li>- Management of European projects</li> </ul> |
| <b>M5 – Corporate Governance, Communication, Relationship with APT</b>  |   |   |
| <ul style="list-style-type: none"> <li>- Long-term completed university studies or equivalent</li> <li>- Minimum 10 years of</li> </ul>   | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of energy companies</li> </ul> | <ul style="list-style-type: none"> <li>- Management of stock market development</li> <li>- Managing the management information</li> </ul>   |



|  |   |  |
|--|---|--|
| <p>prior professional activity</p> <ul style="list-style-type: none"> <li>- Minimum 5 years of experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.</li> </ul>  |   | <p>flow</p> <ul style="list-style-type: none"> <li>- Reporting</li> <li>- External communication</li> </ul>  |
| <b>M6 – Operation, Asset Management, Investments</b>   |   |  |
| <ul style="list-style-type: none"> <li>- Long-term completed university technical studies or equivalent, in the energy field</li> <li>- Minimum 10 years of prior professional activity</li> <li>- Minimum 5 years of experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.</li> </ul> | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of energy companies</li> </ul> | <ul style="list-style-type: none"> <li>- Management of Power Transmission Grids</li> <li>- Asset Management</li> <li>- Preventive maintenance</li> </ul> |
| <b>M7 – Infrastructure Regulation and Operation</b>  |   |  |
| <ul style="list-style-type: none"> <li>- Long-term completed university technical studies or equivalent, in the energy field</li> <li>- Minimum 10 years of prior professional activity</li> <li>- Minimum 5 years of experience in administration/supervision/management of some privately/state-owned companies/institutions under public or private law and of public utility.</li> </ul> | <ul style="list-style-type: none"> <li>- Experience in administration/supervision/management of energy companies</li> </ul> | <ul style="list-style-type: none"> <li>- Management of Power Transmission Grids</li> <li>- Asset Management</li> </ul>                                   |

The set of requirements regarding CNTEE Transelectrica SA Supervisory Board members is the following:

1. Competence criteria:

- a). Competence specific to the activity field and the role of each Supervisory Board member

- b). Competence of strategic/technical importance
- c). Corporate governance competence
- d). Social and personal competence
- 2. Prior professional experience criteria
- 3. Adequacy with the shareholders' requirements criteria
- 4. Features
- 5. Prescriptive requirements (eligibility criteria) and proscriptive requirements (which are an advantage)

The requirements taken into account for the candidates to make it on the long list of the recruitment and selection process are:

- a) They speak Romanian and English - comprehension (listening, reading), writing and speaking - C1 level, according to the Common European Framework of Reference for Languages or they speak - comprehension (listening, reading), writing and speaking - B2 level according to the Common European Framework of Reference for Languages, English.
- b) They:
  - a. For M1, M4 and M5: are graduates of long-term university studies or equivalent, with degree.
  - b. For M2 and M3: are graduates of long-term university studies in economics or equivalent, with degree.
  - c. For M6 and M7: are graduates of long-term university studies in energy or equivalent, with degree.
  - d. Being a graduate of other postgraduate programmes (MBA or PhD, ACCA, CECCAR, PMI etc.) in relevant fields is an advantage.
- c) They have a total professional experience of at least 10 years;
- d) Have experience in administration/supervision/control or management of at least 5 years; the following represent an advantage: prior professional experience in companies or entities the same size as CNTEE Transelectrica SA, or professional experience in the energy field; prior experience in coordinating electricity transmission, the financial management of a company, corporate governance, human resources management, listing a company on the stock exchange, prior experience in a company listed on the stock exchange, prior experience in attracting or/and managing European-funded projects;
- e) They are medically fit for the position and have full exercise capacity;
- f) He/she has not been dismissed from a position held in public institutions in the last 7 years or in enterprises with majority state capital for reasons attributable to him/her in the last 5 years or had no individual labour contract terminated

- for disciplinary reasons in the last 12 months or had not been recalled by AGA for his/her failure to meet the performance indicators in the last 5 years;
- g) He/she is not found in any conflict of interest that would make him/her incompatible with the position CNTEE Transelectrica SA Supervisory Board member;
  - h) He/she has not been finally convicted by a final and irrevocable court decision for committing crimes against humanity, against the state or against authority, corruption and job offences, crimes against justice, forgery, offences against property, for the offences provided by Law 656/2002 for the prevention and sanctioning of money laundering, as well as for the establishment of measures to prevent and combat terrorism financing, with later amendments and additions, or for the offenses provided by Law no. 85/2014 regarding insolvency prevention procedures and insolvency, wilfully committed, that would make him/her incompatible with the function, or any criminal record;
  - i) They have not been involved in political police, as defined by law;
  - j) They fulfil the conditions provided by the incidental legislation regarding the quality

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|               |   |      | Criteria  | Obligatory (OB) or Optional (OP) | Share (0-1) |
|---------------|---|------|---|----------------------------------|-------------|
|               |   |      | 1 = Beginner; 2 = Intermediate; 3 = Competent; 4 = Advanced; 5 = Expert   |                                  |             |
| I. Competence | C1. Competence specific to the energy sector                      | C1.1 | Capacity to understand and overcome the technical and economic challenges specific to one's own activity domain                                   | OB                               | 1,0         |
|               |   | C1.2 | Proved capability to increase the performance of an electricity transporter   | OB                               | 1,0         |
|               |   | C1.3 | Capacity to understand, integrate and meet the requirements specific to the power system company  | OB                               | 1,0         |
|               |   | C1.4 | Capacity to act and facilitate the organisation's permanent operation in the sense of providing SEN balance                                       | OB                               | 1,0         |
|               |   | C1.5 | Capacity to understand, integrate and minimise the constraints of maintenance activities to electric lines and electricity transmission equipment | OB                               | 1,0         |
|               |   | C1.6 | Capacity to facilitate the integration in society and to use the quality management principles  | OB                               | 1,0         |
|               |   | C1.7 | Ability to enable the organisation to turn to good account the opportunities on the capital market  | OB                               | 1,0         |
|               |   | C1.8 | Capacity to impact and creatively operate the organisational culture  | OB                               | 1,0         |
|               | C2. Professional competence of strategic / technical significance | C2.1 | Asset management  | OB                               | 1,0         |
|               |   | C2.2 | Strategic planning  | OB                               | 1,0         |
|               |   | C2.3 | Leadership  | OB                               | 1,0         |
|               |   | C2.4 | Organisation and reorganisation of companies and processes  | OB                               | 1,0         |
|               |   | C2.5 | Management by budgets   | OB                               | 1,0         |
|               |   | C2.6 | Experience in accessing European funds and obtaining finance from financial banking institutions  | OB                               | 1,0         |
|               |   | C2.7 | Risk management   | OB                               | 1,0         |
|               |   | C2.8 | Strategic approach to the Company's participation on the capital market / administration of stock exchange-listed companies                       | OP                               | 1,0         |
|               | C3. Corporate governance competence                               | C3.1 | Management by objectives  | OB                               | 1,0         |
|               |   | C3.2 | Project management competence   | OB                               | 1,0         |
|               |   | C3.3 | Strategic planning competence   | OB                               | 1,0         |
|               |   | C3.4 | Management of projects with European financing  | OB                               | 1,0         |
|               |   | C3.5 | Leadership  | OB                               | 1,0         |
|               |   | C3.6 | Management by budgets   | OB                               | 1,0         |
|               |   | C3.7 | Financial audit   | OB                               | 1,0         |
|               |   | C3.8 | Performance monitoring  | OB                               | 1,0         |
|               | C4. Social & personal competence                                  | C4.1 | Interpersonal communication according to job specifications   | OB                               | 0,5         |
|               |   | C4.2 | Institutional communication   | OB                               | 0,5         |
|               |   | C4.3 | Representativity  | OB                               | 0,5         |
|               |   | C4.4 | Capability to use a foreign language  | OB                               | 0,8         |
|               | C5. Professional experience                                       | C5.1 | National professional experience within great organisational structures   | OB                               | 0,8         |
|               |   | C5.2 | Experience in the energy domain   | OB                               | 0,8         |
|               |   | C5.3 | Experience in liaising with public authorities, regulatory and supervisory authorities, shareholders and stakeholders                             | OB.                              | 0,8         |
|               |   | C5.4 | Experience in liaising with public authorities, regulatory and supervisory authorities in the energy domain                                       | OP.                              | 0,8         |

|   |   |              |   |    |     |
|---|---|--------------|---|----|-----|
|   | C5. National and intern                                   | <b>C5.5</b>  | Previous professional experience with companies or entities of similar size to CNTEE Transelectrica SA, preliminary experience of electricity transmission coordination, of a company's financial management, of corporative governance, human resource management, stock exchange listing of a company, preliminary experience with a stock exchange-listed company, previous experience of drawing / managing projects with European financing; | OP | 0,8 |
|   |   | <b>C5.6</b>  | Experience in the audit, economic, accounting, financial or juridical domains, risk management  | OP | 0,8 |
|   | C6. Alignment to the shareholders' letter of expectations | <b>C6.1</b>  | Acquiring the strategic context of CNTEE Transelectrica SA  | OB | 1,0 |
|   |   | <b>C6.2</b>  | Integrating the multi-annual national strategy in the energy domain   | OB | 1,0 |
|   |   | <b>C6.3</b>  | Has got vision of his/her contribution to meeting the shareholders' expectations  | OB | 1,0 |
|   |   | <b>C6.4</b>  | Responding with accurately formulated objectives to shareholders' expectations  | OB | 1,0 |
|   |   | <b>C6.5</b>  | Declining the objectives formulated in concrete actions   | OB | 1,0 |
|   |   | <b>C6.6</b>  | His/her statement of intent observes the structure recommended in HG 722/2016   | OB | 1,0 |
|   | Features  |              | Subtotal 1  |    |     |
|   |   |              | Weighted subtotal 1   |    |     |
|   |   | <b>T1</b>    | Personal and professional reputation  | OB | 0,5 |
|   |   | <b>T2</b>    | Independence  | OB | 0,5 |
|   |   | <b>T3</b>    | Entrepreneur spirit   | OB | 0,5 |
|   |   | <b>T4</b>    | Vision  | OB | 0,5 |
|   |   | <b>T5</b>    | Dynamism  | OB | 0,5 |
|   |   | <b>T6</b>    | Team spirit   | OB | 0,5 |
|   |   |              | Subtotal 2  |    |     |
|   |   |              | Weighted subtotal 2   |    |     |
| III. Prescriptive and proscriptive requirements |   | <b>CPP1</b>  | Knowledge of Romanian   | OB | 0,6 |
|   |   | <b>CPP2</b>  | Knowledge of an European language - speaking, writing and reading, at least at independent user level   |    |     |
|   |   | <b>CPP3</b>  | Long term university studies graduated by diploma or Long term university studies in the energy domain graduated by diploma or University studies in the economic domain graduated by bachelor degree or University studies in the juridical domain graduated by bachelor degree  | OB | 0,6 |
|   |   | <b>CPP4</b>  | Post graduate studies   | OP | 0,6 |
|   |   | <b>CPP5</b>  | No entries in the judiciary and fiscal records  | OB | 0,6 |
|   |   | <b>CPP6</b>  | Able in medical terms   | OB | 0,6 |
|   |   | <b>CPP7</b>  | Minimum 5 years' experience of administration / supervision / management of companies with private or state capital / public or private law institutions or public utilities  | OB | 0,6 |
|   |   | <b>CPP8</b>  | Total professional experience of minimum 10 years   | OB | 0,6 |
|   |   | <b>CPP9</b>  | He/she has not been dismissed from a position held in public institutions in the last 7 years or in enterprises with majority state capital for reasons imputable to him/her in the last 5 years or had no individual labour contract terminated for disciplinary reasons in the last 12 months or had not been recalled by AGA for his/her failure to meet the performance indicators in the last 5 years;                                       | OB | 0,6 |
|   |   | <b>CPP10</b> | He/she is not found in any conflict of interest   | OB | 0,6 |
|   |   |              | TOTAL   |    |     |
|   |   |              | Weighted total  |    |     |
|   |   |              | Minimum collective threshold  |    | 70% |

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# **PROFILE OF THE SUPERVISORY BOARD**

**OF THE NATIONAL POWER GRID COMPANY TRANSELECTRICA SA**

In accordance with article 1 para (18) of annex 1 to HG 722/2016, the board profile means to identify the capacities, features and requirements the Supervisory Board is expected to have in collective terms, taking into account the organisational context, the mission, the expectations specified in the letter of expectations and the organisational strategy items, current or to be developed. The profile also includes the Supervisory Board's matrix, which comprises those capacities the board should possess jointly by means of a set of competence, abilities, and other eliminatory terms which the board members have to comply with severally and jointly.

The personalised profile of the Supervisory Board is part of the selection plan and the independent expert specialising in recruiting and selecting human resources has performed it in permanent consultation with the competent public authority, taking into account the following issues: (article 19 of annex 1 to HG 722/2016):

- a) A minimum of knowledge, aptitudes and experience necessary to carry out well the CS member mandate;
- b) Job responsibilities to elaborate the mid- and long-term vision;
- c) Capacity to assume responsibility towards the entire board, integrity and independence;
- d) The required knowledge, aptitudes and experience of constructive criticism, team work, communication, financial culture, decision making and pattern detection in order to contribute to the board's activities as a whole.

The board profile is elaborated in transparent systematic rigorous manner with a view to make certain the capacities required to have the best board are detected and the best board candidates are found.



## **1. CONTEXTUAL REQUIREMENTS OF THE NATIONAL POWER GRID COMPANY TRANSELECTRICA SA AND OF THE SUPERVISORY BOARD**

### **a) Organisational context**

CNTEE Transelectrica SA (hereinafter Transelectrica) was established according to Governmental Ordinance 627 / 31 July 2000 by splitting up the former National Electricity Company (CONEL) into four independent entities: Transelectrica, Electrica, Hidroelectrica and Termoelectrica – for electricity transmission and dispatch, distribution and generation.

Thus transmission and system services have been fully separated from the generation, distribution and supply activities. In technical terms the power system is uniform and managed by a single operator, which is Transelectrica.

Beginning with 29 August 2006 Transelectrica has been listed on the Bucharest Stock Exchange. The Company's legislative framework includes both the general company legislation, the specific legislation pertaining to the Company's activity domains and the applicable corporate governance legislation.

### **b) Organisational context**

Transelectrica performs its activities in accordance with the Energy Law and the secondary legislation, mainly the Licences of the Transmission System Operator, Code of the Electricity Transmission Grid, Commercial Code and Metering Code.\*

#### **The main functions of TRANSELECTRICA:**

##### **1. Transmission and system operator of SEN**

- Infrastructure of the electricity transmission grid (RET)
- Dispatch infrastructure (EMS/SCADA, Energy Management / Supervisory-Control and Data Acquisition System) achieved by the Operational Unit of the National Power Dispatcher (DEN) and 5 Territorial Dispatchers (DET)
- Capacity allocation on interconnection lines
- Green certificates

##### **2. Operator of the Balancing Market – OPE**

- Balancing market platform

##### **3. Commercial operator of the electricity market OPCOM, subsidiary with legal personality**

- Transaction platforms
- Transaction platform for green certificates

##### **4. Metering operator of the wholesale electricity market, Metering Division OMEPA**

- Metering system

##### **5. Telecommunication and IT operator TELETRANS, subsidiary with legal personality**

- Optical fibre, digital telecom system

### **Main activities of Transelectrica**

1. Technical & operational management of the power system in order to provide its safe steady-state operation
2. Operation, maintenance and development of RET installations
3. Planning RET development
4. Administration of the electricity markets:
  - Capacity allocation on interconnection lines
  - Technological and system services
  - Balancing market
  - Day-ahead market
  - Intra-daily market
  - Centralised market of bilateral electricity contracts
  - Green certificates market
5. Management of interconnections and of electricity transits with neighbouring countries

### **Mission and Vision**

- **Mission:** Providing SEN operation under maximum safety and steady-state conditions while complying with qualitative standards, thus achieving the infrastructure of the national electricity market and also guaranteeing the regulated access to the electricity transmission network under transparent, non-discriminating equidistant conditions for all market participants;
- **Vision:** Becoming the technical and operational authority of SEN and the key electricity transmission operator in south-east Europe, while operating in interconnection with ENTSO-E and providing electricity transit on the regional market;

### **c) Strategic context**

Relevant topical information about the strategical framework which Transelectrica operates in can be taken from the strategic RET Development Plan. In accordance with the competence and attributions established by the Electricity and natural gas law 123/2012, with later amendments and additions and with the specific terms associated to Licence 161 on providing electricity transmission services, system services and managing the balancing market, the National Power Grid Company Transelectrica SA plans the development of RET taking into account the current and forecasted consumption, the generation fleet and the electricity exchanges thus every other year elaborating a Development Plan for the following 10 successive years, which is submitted to submission to ANRE and the grid owner.

The Development Plan was elaborated using the Strategies and Policies of Romania's Government, the objectives of the European Union's new Competitive Safe energy policy, and the studies provided by CNTEE Transelectrica SA.

**Planning RET development targets the following objectives:**

- a. Safe operation of SEN and electricity transmission at qualitative levels adequate for the conditions standardised by the RET Technical Code and the Performance Standard for electricity transmission services and system services;
- b. RET development in such a manner as to be properly sized for the transmission of electricity forecasted to be generated, consumed, imported, exported and transited;
- c. Increasing the interconnection of power networks;
- d. Sustainability by integrating the electricity output of renewable sources into the grid and by transmitting the electricity generated from renewable sources up to the main consumption centres;
- e. Integration and operation of the internal electricity market;
- f. Providing non-discriminating access of applicants to the public interest network, under conditions provided by applicable norms;
- g. Minimising investment expenses when selecting RET development solutions.

**Main objectives of the RET Development Plan**

The RET Development Plan is a public document including main aspects of the current state of affairs and RET development within the context of SEN in the next ten years. This document is made available by CNTEE Transelectrica SA to all stakeholders in order to facilitate:

- The information about the current and future capacity of the transmission grid to meet the requirements of users and the public interest as well, taking into account the objectives set in the National Energy Strategy & Policy and in the applicable legislation;
- Setting up the conditions required with a view to correlate the actions / investments of possible impact over the safety performance of SEN between the TSO and market participants in the mid- and long-term;
- Information about zonal opportunities of RET connection and of RET utilisation depending on the forecasts with respect to consumption and generation capacities;
- Information about the exchange capacities with neighbouring systems and their development in the context of the European internal electricity market;
- Reserve level within SEN in order to cover the demand by generation and also the electricity consumption peak;
- The required resources for RET development and their source.

Such complex context provided briefly above represents the elaboration base of eligibility criteria and of other criteria to assess the competence required during the recruiting procedure selecting the new Supervisory Board members of the Company.

## 2. STRUCTURE OF THE SUPERVISORY BOARD OF THE NATIONAL POWER GRID COMPANY TRANSELECTRICA SA

### Supervisory Board in office

At present the Supervisory Board of the **NATIONAL POWER GRID COMPANY TRANSELECTRICA SA** consists of 7 members, all being provisional.

For the time being these 7 member positions are provisionally taken by the following persons:

| No. | Name and surname              | Function              | Appointment date |
|-----|-------------------------------|-----------------------|------------------|
| 1   | Mircea Gheorghe Dumitru COSEA | CS Chairman           | 30-05-2019       |
| 2   | Adrian MITROI                 | Provisional CS member | 30-05-2019       |
| 3   | Alin-Sorin MITRICA            | Provisional CS member | 30-05-2019       |
| 4   | Constantin DUMITRU            | Provisional CS member | 30-05-2019       |
| 5   | Virginia Mihaela TOADER       | Provisional CS member | 30-05-2019       |
| 6   | Mihaela CONSTANTINOVICI       | Provisional CS member | 30-05-2019       |
| 7   | Florin – Radu CIOCANELEA      | Provisional CS member | 30-05-2019       |

Supervisory Board members are appointed by the Shareholders' General Assembly of CNTEE Transelectrica, upon the proposal of the Competent Public Authority and other shareholders. The Supervisory Board consists of non-executive members most of whom are independent in the sense of article 138<sup>2</sup> of the Company law 31/1990, republished, with later amendments and additions.

The Supervisory Board structure is the following:

- 7 non-executive members,
- Majority to be acquired by independent members;

The competence and features of the future Supervisory Board members have been established using the responsibility areas attributed to each member as follows:

- M1 – Leadership and Management
- M2 – Economic Analysis and Strategy
- M3 – Financial Audit, Accounting
- M4 – Business Development Strategies, Drawing European Funding
- M5 – Corporative Governance, Communication, Liaising with the APT



### **3. PROFILE MATRIX OF THE SUPERVISORY BOARD OF THE NATIONAL POWER GRID COMPANY TRANSELECTRICA SA**

The Board matrix, Annex 1 of this document, represents a cumulative instrument comprising the measurable competence, features and conditions that should be ideally provided by Board members severally and jointly, together with the aptitudes, knowledge, experience and other attributes of members in office, as well as of potential candidates.

The purpose of such matrix as provided in article 28 of annex 1 from HG 722/2016 is to provide transparent, formal, competitive and comprehensive selection procedure in decision-making terms based on systematic analysis.

The profile matrix includes the following items:

- Defining the criteria and providing indicators thereof;
- Identifying the compulsory and optional criteria;
- Defining a common assessment grid for all criteria;
- Shares set for each criterion depending on its significance;
- Bunching up criteria for comparative analysis;
- Setting a minimum collective threshold for each criterion if need be or a minimum collective overall one, to be applied to the weighted total points obtained;
- Subtotals, totals, weighted totals and shares for criteria and for the individual CS members.

Such matrix enables pointing out the advantages and disadvantages, strong points, development areas and the extent of board activities that can be improved. In accordance with article 30 of annex 1 from HG 722/2016, the Board profile matrix provides information as required in order to determine:

- a) The balance of board competence and features with a view to carry out the requirements and strategic developments;
- b) Proper nature of the board profile taking into account legal provisions, good practice and internal policies;
- c) Detecting the areas where the board is supposed to improve capacity by professional training and development, professional assistance or by means of contracting specific services;
- d) Defining the board candidate profile;
- e) Finding out assessment instruments including elaboration of the assessment form, all leading to designating candidates that will be appointed as board members by the Ministry of Energy.

Criteria associated to the board matrix are compulsory or optional; compulsory criteria represent competence and features that should be met by all candidates or by those board members for

whom a minimum applicable competence level is specified. On the other hand optional criteria aims at competence and features that can be met by one board members but not necessarily by all of them, for whom there is no minimum competence level applicable to all board members (article 31 of annex 1 from HG 722/2016). Compulsory criteria should be met by all candidates as they are minimum experience and training terms which the Ministry of Economy deems necessary, while optional criteria enable classifying the candidates and selecting Supervisory Board members with profiles requested by the Ministry of Economy.

The matrix contains minimum thresholds for competence indicators so that the board can provide the board capacities determined in the analysis of contextual requirements. The criteria to be used in the selection are differentiated into groups and sub-groups as follows:

In case of the 7 vacant positions of Supervisory Board members the Ministry of Economy will select persons that:

- Are not members in more than 3 administration or supervision boards, which might lead to trespassing article 33 of OUG 109/2011, or in case they are members in 3 Administration / Supervision boards they will give up at least one before being appointed as CS members.
- Meet all the compulsory criteria mentioned in the attached matrix;
- Are in healthy condition adequate to exercise the position needs, certified as per legal terms, acknowledged with medical certificate;
- Are in full capacity of exercise;
- Are domiciled in Romania;
- Know Romanian for speaking, writing and reading, minimum C1;
- Know a European language for speaking, writing and reading at least at independent user level;
- Provide no entry in the judiciary record;
- Their fiscal record has not entries that might prevent their appointment as CS members;
- Have not contributed to worsening the economic-financial results of enterprises where they held CS member positions during their mandate.

The Ministry of Economy deems it necessary that, out of the 7 Supervisory Board members of **TRANSELECTRICA SA**,

- One at least should have acquired economic knowledge certified in the economic domain,
- One at least should have economic studies and be specialised in accounting or financial audit and have competence in the financial audit domain; this member has to be independent in the sense of provisions from Law 31/1990,
- At least two members can be dignitaries, public servants or contractual personnel and
- One member at least should have acquired technical knowledge certified in the power engineering domain.



### *Pluri Consultants*

Candidates' attributes (competence or features) are assessed using a Likert scale of 5 grades, as provided in HG 722/2016.

The Explained Competence Map (HCE) elaborated by the independent expert's team will be used in order to grant the points of each individual competence; such map describes the competence, provides the noticeable behavioural indicators and, if need be, these will be de-multiplied along the scale of 1 to 5 of the assessment grid as shown below:

| <b>Competence:</b>   | <b>Interpersonal communication according to the job description</b>   |
|--|---|
| Explanation<br>Capacity to accurately communicate verbally, non-verbally and para-verbally, fluently and coherently, to relate, argue and persuade | <b>Indicators</b> <ul style="list-style-type: none"><li>- He/she is able to fluently coherently express his/her ideas</li><li>- Verbal messages are enhanced by gestures</li><li>- He/she has proper posture for transmitted messages</li><li>- He/she proves listening actively to his/her interlocutors</li><li>- He/she uses wisely the formulation</li><li>- He/she uses correctly the question technique</li><li>- He/she uses correctly both logical and pseudo emotional arguments</li><li>- He/she is able to initiate, maintain and develop relations based on trust</li><li>- He/she uses accurately the persuasion</li></ul> |

Assessment methods:

- Document analysis over the papers in the candidate file,
- Analysis of references,
- Behavioural observation of candidates during interviews,
- Analysis of statements of intent,
- Analysis of possible valuation tests given to candidates;

Elaborated by:

Ioana Madalina Popescu

Date:

26 August 2019



## D R A F T

### DECISION No. \_\_\_\_ Of the Shareholders' General Ordinary Assembly of the National Power Grid Company Transelectrica SA of 20/23 september 2019

The Shareholders' general ordinary assembly of the National Power Grid Company Transelectrica SA, managed under two-tier system, established and acting in accordance with the Romanian legislation, registered with the National Office of the Trade Register from Bucharest Tribunal under no. J40/8060/2000, fiscal code 13328043, having its headquarters in Bucharest City 1, Blvd. General Gheorghe Magheru 33, share capital subscribed and paid of 733,031,420 Lei, divided into 73,303,142 nominative ordinary dematerialised shares of 10 Lei nominal value each, having assembled on **20/23 september 2019, 10:00 h**,

Attended by shareholders representing \_\_\_\_\_% of the share capital and \_\_\_\_\_% of the total voting rights,

In accordance with the provisions of Company law 31/1990, republished, with later amendments and additions, of Law 297/2004 on the capital market, with later amendments and additions, of Law 24/2017 on the issuers of financial instruments and market operations, of ASF Regulation 5/2018 on the issuers of financial instruments and market operations, issues the following

#### D E C I S I O N:

With respect to the agenda items under nos. 6, 7, 8 and 9 as follows:

1.1. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mr. Adrian MITROI as provisional member in the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

1.2. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mr. Petru TARNICERU as provisional member in the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

1.3. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mr. Ionica BADILA as provisional member in



the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

1.4. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mrs. Virginia Mihaela TOADER as provisional member in the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

1.5. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mrs. Mihaela CONSTANTINOVICI as provisional member in the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

1.6. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mr. Mircea Gheorghe Dumitru COȘEA as provisional member in the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

1.7. As regards **item 6 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, appointing Mr. Florin-Radu CIOCĂNELEA as provisional member in the Supervisory Board of the National Power Grid Company Transelectrica SA beginning with 30 September 2019.

2. As regards **item 7 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, setting the term of the provisional members’ mandate to two months, beginning with 30 September 2019.

3. As regards **item 8 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, approving **09 octobree 2019** to be set as **registration date** for the shareholders who will be touched by the effects of the Decision taken by the Shareholders’ general ordinary assembly.

4. As regards **item 9 in the agenda, with the “for” vote of shareholders representing \_\_\_\_\_% of the total number of validly cast votes**, empowering the assembly chairperson, \_\_\_\_\_, to sign the Decision of the Shareholders’ general ordinary assembly and the documents necessary for registration and publication of such Decision of the Shareholders’ general ordinary assembly according to legal provisions. \_\_\_\_\_ can mandate other persons to carry out the publicity and registration formalities for the Decision of the Shareholders’ general ordinary assembly.

**ASSEMBLY CHAIRPERSON**

**Technical Secretary,**