

NOTE

**to convene the Shareholders' general assembly in view of
amending article 5.2 let. (b) of the mandate contract approved by AGOA Decision
31/26.11.2019**

The National Power Grid Company Transelectrica SA (hereinafter the 'Company') is a joint-stock company managed under two-tier system according to article 153¹ and foll. of the Company Law 31/1990, republished, with later amendments and additions ('Company law') by a directorate and a supervisory board. The Company is a BVB-listed society and *public enterprise* in accordance with article 2 pt. 2 let. b) of OUG 109/2011 *on the corporative governance of public enterprises*, approved with amendments and additions by Law 111/2016 (hereinafter OUG 109/2011).

The Company's relations with the Supervisory Board members are governed by legal provisions from the mandate matter (article 72, article 144¹ and article 144² para (1) corroborated with article 153⁸ para (3) of the Company Law). The special law applicable to Company management, OUG 109/2011 provides as follows in the mandate contract definition: *"11. mandate contract – a mandate contract, as defined and regulated by the Civil Code, and in case of companies provided in article 2 pt. 2 let. b) (presumption the Company is under) and c), by Law 31/1990, republished, with later amendments and additions, and by the Civil Codue. (...)."*

The Company Law does not specifically regulate the necessary means to execute the mandate of administrator or of Supervisory board member. The Civil Code regulates this issue in article 2025 para (1) establishing that "In the absence of a contrary covenant, the grantor is obliged to put at the mandatee's disposal the necessary means to execute the mandate". The mandate content of Supervisory Board members as per legal provisions and the Company's Article of associations, contains main attributions such as control exercised over the manner in which the Directorate manages the Company and checking whether the activities performed in the Company's name and on its behalf are compliant with legal provisions, with the articles of association and with the decisions taken by the shareholders' general assembly. At the same time the Supervisory Board while exercising its essential control attributions over the manner in which the Directorate manages the Company, has the right and duty to establish control, check-up and reporting modes in its relations with the Directorate and the Company as deemed fit to perform such attributions.

As regards the mandate contract concluded with the current Supervisory Board members it has been approved by Decision 31/26.11.2019 of the Shareholders' general ordinary assembly. In accordance with article 5.2 let. (b) of the mandate contract concluded with the current Supervisory Board members: "5.2. GRANTOR'S OBLIGATIONS: (...) (b) to provide the MANDATEE with work conditions and endowments as necessary to carry out activities (such as for instance properly equipped office, conference room, business mobile phone, laptop / tablet and others), depending on the needs for MANDATEE activities performed within the Supervisory Board (...)"

Seeing the need to use transportation means as necessary for the mandate achievement and taking into account the competence of the Shareholders' general assembly to approve the mandate contractual form concluded with Supervisory Board members and consequently to approve any and all its amendments,

We propose to the Shareholders' general ordinary assembly:

- **Amending article 5.2 let. (b) of the mandate contractual form approved by AGOA Decision 31/26.11.2019** as follows: *"(b) to provide the MANDATEE with work conditions and endowments as necessary to carry out activities (such as for instance properly equipped office, conference room, business mobile phone, laptop/tablet, transportation means (motor car) and others), depending on the needs for MANDATEE activities performed within the Supervisory Board"*.

- Empowering the representative of the Government's Secretariat General in the Shareholders' General Assembly to sign on the Company's behalf to apply the Assembly's decision to amend the mandate contractual form by addendum to the mandate contracts between the Company and the provisional Supervisory Board members appointed as per AGOA Decisions 24, 26, 27, 28 and 29 of 26.11.2019.