

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	Adrian Goicea	Președinte	30.11.2019
2	Luiza Popescu	Membru	30.11.2019
3	Jean-Valentin Comănescu	Membru	30.11.2019

4	Oleg Burlacu	Membru	30.11.2019	
5	Ciprian Constantin Dumitru	Membru	07.01.2020	 pct 1.pdf
6	Mihaela Constantinovici	Membru	07.02.2020	
7	Mircea Cristian Staicu	Membru	13.02.2020	

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 138² 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
- M6 – Operation, Asset Management, Investments
- M7 – Regulation and Infrastructure Operation

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.

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:

Competence:	Interpersonal communication according to the job description
Explanation Capacity to accurately communicate verbally, non-verbally and para-verbally,	Indicators <ul style="list-style-type: none">- He/she is able to fluently coherently express his/her ideas- Verbal messages are enhanced by gestures- He/she has proper posture for transmitted messages- He/she proves listening actively to his/her interlocutors

fluently and coherently, to relate, argue and persuade	<ul style="list-style-type: none"> - He/she uses wisely the formulation - He/she uses correctly the question technique - He/she uses correctly both logical and pseudo emotional arguments - He/she is able to initiate, maintain and develop relations based on trust - He/she uses accurately the persuasion
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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;