Societatea Energetică Electrica S.A.
9, Grigore Alexandrescu str. 010621
District 1, Bucharest, Romania
Phone: 021-208 59 99
Fiscal Registration Certificate RO 13267221
J40/7425/2000
Share capital: RON 3,464,435,970
www.electrica.ro

ANNOUNCEMENT

Extension of the consultation period regarding the Draft amendment to the Company's Articles of Association

Societatea Energetica Electrica SA (Electrica or the Company) informs its shareholders and all the interested parties that during the meeting dated 28 February 2022, the Company's Board of Directors decided to extend the consultation period on the draft amendment of Electrica's Articles of Association and asked to be republished on the company's website for consultation with interested parties, for an additional period of 45 days, following that after the consultation process, to be submitted to the GMS for approval.

The proposed amendments can be retrieved in Annex 1, as well as on Company's website, along with the Articles of Associations revised as proposed by the Company's Board of Directors, using the following link: https://www.electrica.ro/en/investors/corporate-governance/corporate-policies/.

These documents may also be made available, for the stakeholders, in hardcopy at the Company's Registry Desk located at its headquarters in Bucharest, 9 Grigore Alexandrescu Street, District 1, which is open from Monday to Thursday between 08:00-17:00 (Romanian time) and on Fridays between 08:00-14:30 (Romanian time), excluding public holidays.

In order to obtain hard copies of the documents above mentioned, shareholders must address requests in writing in this regard at the Company's Registry Desk or to the email address ir@electrica.ro, so that these are received by the Company starting with **2 March 2022**. The Company shall provide the shareholders, through its Registry Desk, with copies of the requested documents within maximum 2 business days of the request.

All the interested parties may ask questions or submit their proposals in writing, in Romanian or in English, regarding the amendment of the Company's Articles of Association. These questions shall be addressed to the Company's Board of Directors and shall be sent either (i) in hardcopy (in person or by post/courier services, with confirmation of receipt), at the Company's Registry Desk or (ii) via e-mail at ir@electrica.ro, so as to be received by the Company until **14 April 2022,** inclusively, stating clearly in writing in capital letters: "*PROPOSAL REGARDING THE AMENDMENT OF THE ARTICLES OF ASSOCIATION OF ELECTRICA".*

We kindly ask all interested parties who wish to request the documents in physical format to take into account the observance of the legal provisions imposed by the authorities in the context of COVID-19.

CEO
Georgeta Corina Popescu

POPESCU GEORGETA-CORINA
Digitally signed by POPESCU GEORGETA-CORINA
Date: 2022.03.01 18:50:57 +02'00'

Annex 1

Proposals for amending the Articles of Association of Electrica

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
1.	Art. 5 para. (3)	The Company may also carry out the following secondary activities: (...)	*The following activities are added:* The Company may also carry out the following secondary activities: (...) 7010 - Activities of head offices; 7810 - Activities of employment placement agencies; 9499 - Activities of other membership organisations n.e.c.;	Adding these NACE codes is caused by the implementation of the project Fit for Future within which Electrica shall render a series of services to the benefit of branches which shall thus benefit from a better reflection within the activity range which can be provided by Electrica.
2.	Art. 8 para. (7)	The shares issued in dematerialized form may be traded on a regulated market or in an alternative system, according to capital market legislation.	The shares issued in dematerialized form may be traded on a regulated market or on a multilateral trading facility, according to capital market legislation	The capital market specific legislation no longer contains the concept of alternative trading, being replaced by the one of multilateral-trading facility[1]. Thus, the change is meant to align from a terminological perspective the provisions of the Articles of Association and the changes of the capital market legislation.
3.	Art. 10 para. (2)	In case of bond issuances, the extraordinary general meeting of shareholders shall decide on the main terms and conditions of the bonds, including but not limited to: the maximum amount of the issuance, offer period, territoriality of the offer, type of issued bonds, the possibility of admission to trading on a regulated market or in an alternative system. The Board of Directors	In case of bond issuances, the extraordinary general meeting of shareholders shall decide on the main terms and conditions of the bonds, including but not limited to: the maximum amount of the issuance, offer period, territoriality of the offer, type of issued bonds, the possibility of admission to trading on a regulated market or on a multilateral trading facility. The Board of	The capital market specific legislation no longer contains the concept of alternative trading, being replaced by the one of multilateral-trading[2]. Thus, the change is meant to align from a terminological perspective the provisions of the Article of Association and the changes of the capital market legislation.

[1] See art. 3 para. 1 item. 26 of Law 126/2018 vs art. 2 para. 1 item. 26 of the Law 297/2004 (currently repealed)
[2] See art. 3 para. 1 item. 26 of Law 126/2018 vs art. 2 para. 1 item. 26 of the Law 297/2004 (currently repealed)

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		shall approve the terms and conditions of each issuance, such as: the nominal value, interest rate, maturity, terms of an early redemption or repayment of the bonds, other features of the bonds, as well as all documentation related to the bond placement.	Directors shall approve the terms and conditions of each issuance, such as: the nominal value, interest rate, maturity, terms of an early redemption or repayment of the bonds, other features of the bonds, as well as all documentation related to the bond placement.	
4.	Art. 11 para. (1)	Each share subscribed and fully paid in by the shareholders, in accordance with the law, grants the shareholders (i) the right to one vote in the general meeting of the shareholders, (ii) the right to elect the management bodies, (iii) the right to participate to the profit distribution, as well as (iv) other rights provided by these Articles of Association and by the legal provisions.	Each share subscribed and fully paid in by the shareholders, in accordance with the law, grants the shareholders (i) the right to one vote in the general meeting of the shareholders, (ii) the right to elect the directors, (iii) the right to participate to the profit distribution, as well as (iv) other rights provided by these Articles of Association and by the legal provisions	The phrase "management bodies" is generic and may designate both the Board of Directors as well as the managers. Additionally, the Articles of Association of Electrica also refer to the general shareholder's meeting as a management body. For enhanced clarity and, considering the fact that as per Law 31/1990 shareholders elect exclusively the Board of Directors, it is advisable to clarify the fact that by exercising the right to vote only the company's directors may be elected (and not members of other management bodies).
5.	Art. 14 para. (3) letter. j)	The ordinary general meeting of the shareholders shall have the following main duties: j) approves the Remuneration Policy for Directors and Executive Managers;	*Letter. j is amended by eliminating the phrase "executive" and shall read as follows:* The ordinary general meeting of the shareholders shall have the following main duties: j) approves the Remuneration Policy for Directors and Managers;	As per the provisions of Law 31/1990, the Articles of Association of Electrica present the role, duties, the means of appointing managers having managing duties delegated by the Board of Directors. The term used shall be that of managers, thus is advisable to eliminate "executive" to ensure terms homogeneity within the Articles of Association.
6.	Art. 14 para. (3)	The ordinary general meeting of the shareholders shall have the following main duties: (...)	*After j) two new duties are added (designated k) and l)), continuing the succession of the next letters:*	It is advisable that all duties of the general meeting of shareholders be centralized in a single document, namely the Articles of Association.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
			The ordinary general meeting of the shareholders shall have the following main duties: k) approves the Remuneration Report for Directors and Managers; l) approves the overall limit of all Directors' remuneration and additional remuneration of Board members;	Adding the two duties represents incorporating the applicable legal requirements (art. 107 para. 6[3] of Law 24/2017 and art. 153[18] of Law 31/1990[4]). Thus, to determine the role of the general meeting of shareholders, it is not necessary to review other regulations besides the Articles of Association. We mention that the approval of the remuneration report by the ordinary general shareholders' meeting is a recent legal requirement, and the first application of this requirement shall be performed during the ordinary general meeting of shareholders convened in 2022 for the approval of the financial statements for the financial year 2021.
7.	Art. 14 para. (4) letters. e), i), j), o), p), q) and r)	The extraordinary general meeting of the shareholders shall decide on the following: e) approving the issuance and admission to trading on a regulated market or in an alternative system of shares, depositary certificates, allotment rights or other similar financial instruments; approving the competencies delegated to the Board; i) increasing the share capital, as well as decreasing or the replenishment of share capital by issue of new shares, according to the law; j) merger and spin-off;	*Letters. e), i) and j) are amended and shall have the following contents and letters lit. o), p), q) and r) are eliminated , the rest of the duties abiding by their sequence of letters::* e) approving the issuance and admission to trading on a regulated market or on a multilateral trading facility of shares, depositary certificates, allotment rights or other similar financial instruments; approving the competencies delegated to the Board;	*Amendment letter e)* The capital market specific legislation no longer contains the concept of alternative trading, being replaced by the one of multilateral-trading [5]. Thus, the change is meant to align from a terminological perspective the provisions of the Article of Association and the changes of the capital market legislation. *Amendment letter i)* The elimination of the concept of replenishment of share capital is meant to eliminate the risk of interpretation considering there is no operation of replenishment of share capital (even if it is

[3] The remuneration report for the most recent financial year is subject to a vote at the annual ordinary general meeting of shareholders provided in art. 111 of Law no. 31/1990, the opinion of the shareholders of the general meeting regarding the remuneration report, resulting from the vote, having an advisory character. The issuer explains in the next remuneration report how the vote of the general meeting was taken into account.

[4] The additional remuneration of the members of the board of directors or of the supervisory board entrusted with specific functions within the respective body, as well as the remuneration of the directors, in the unitary system, or of the members of the management, in the dual system, are established by the board of directors or the Supervisory board. The articles of association or the general meeting of shareholders set the general limits of all remuneration granted in this way.

[5] See art. 3 para. 1 item. 26 of Law 126/2018 vs art. 2 para. 1 item. 26 of the Law 297/2004 (currently repealed)

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		o) the establishment or dissolution of secondary offices: branches, agencies, representative offices, working points or other similar units without legal status, according to the legal provisions; p) participation in the establishment of new legal persons; q) approval of the eligibility and independence criteria with respect to the Board members; r) approval of the corporate governance strategy of the Company including the corporate governance action plan;	i) increasing the share capital, as well as decreasing the share capital, according to the law j) the merger, the spin-off or the separation;	conceptually nominated by law) but only the operations of increase / decrease of share capital. *Amendment letter j)* Separation is a separate division operation regulated as such by Law 31/1990 and for clarity it is advisable to be expressly nominated. We note that from a practical perspective, separation operations are much more frequent than division operations. *Eliminating duties letters. o), p), r)* All elimination proposals are intended to make the decision-making mechanism more flexible considering that: a) The opening of a working point is a decision with a marginal impact, which does not involve large financial resources, and the resources allocated to the organization of a general meeting of shareholders are disproportionately large compared to the impact and scope of such a decision; b) At the level of principle, the shareholders must decide on the legal acts with major impact (considering that there are a series of duties of the general meeting of shareholders aimed at the approval by the shareholders of acts for which thresholds have been set and exceeding of such thresholds entails the obligation to obtain the approval of the GMS); the approval by the shareholders of the participation in the incorporation of legal entities (without any qualification of materiality) may cause the participation of Electrica to the incorporation of a limited liability company with a share capital of RON 1,000 be submitted to the approval of the shareholders (here the

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
				arguments mentioned under letter a) above remain valid; by removing this duty, shareholders will be required to approve legal acts that exceed the value thresholds mentioned in the articles of incorporation.; c) Electrica had a corporate governance strategy approved by shareholders in the context of the listing. Therefore, there will be no further iteration of approving a corporate governance strategy, only occasional adjustments subject to shareholder approval, if any, of the governance structure to new realities and circumstances (as is the case for these proposals amending the articles of association) *Elimination of duties letter q* The proposal is likely to reduce compliance risk and should be considered in conjunction with the proposed amendments to Art. 18 para. (2), (3) and (4) as set out below (see rows 15 and 16).
8.	Art. 15 para. (5)	The ordinary general meetings of shareholders take place at least once a year, within maximum 4 (four) months from the end of the financial year in order to analyse the balance sheet and profit and loss account for the previous year precedent and to analyse the annual report of the Board.	The ordinary general meetings of shareholders take place at least once a year, within maximum 4 (four) months from the end of the financial year, to approve the financial statements for the previous financial year and to analyse the annual report of the Board and the auditor's report;	Electrica prepares the financial statements in accordance with IFRS. By reference to IFRS there are no notions of balance sheet / profit and loss account, their correspondent being the statement of financial position / statement of comprehensive income. Moreover, the financial statements prepared in accordance with IFRS include two other components, namely the statement of changes in equity and the statement of cash flows. Therefore, the proposed amendment consists in using the framework concept of financial statements, an approach otherwise consistent with the provisions of Law 31/1990.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
9.	Art. 16 para. (1)	For the validity of the deliberations of the ordinary general meeting of the shareholders gathered at the first call, shareholders representing at least one quarter (1/4) of the total number of voting rights must attend the meeting. The ordinary general meeting of the shareholders will adopt decisions with the majority of the votes cast by the shareholders present or validly represented in the meeting.	For the validity of the deliberations of the ordinary general meeting of the shareholders gathered at the first call, shareholders representing at least one quarter (1/4) of the total number of voting rights must attend the meeting. The ordinary general meeting of the shareholders will adopt decisions with the majority of the votes cast by the shareholders present or validly represented in the meeting. The "abstention" vote shall not be deemed to be a vote cast for the purpose of determining the majority required to pass a resolution at an ordinary general meeting of shareholders.	The current legal provisions do not clarify the meaning of the "abstention" vote, i.e whether it is considered to be a vote cast or not. In fact, there is a number of court disputes concerning this risk of interpretation which seek to annul a decision of the shareholders of the listed companies. The proposal to clarify that the "abstention" vote is not an express vote is intended to eliminate this risk of interpretation and enshrines the interpretation applied so far with regard to general meetings of shareholders of Electrica, interpretation also confirmed by the Financial Supervisory Authority.
10.	Art. 16 para. (3)	For the valid deliberations of the extraordinary general meeting of the shareholders, the following are necessary: a) at the first convening, the presence of shareholders representing one quarter (1/4) of the total number of voting rights, and decisions must be taken with the majority of the votes held by the shareholders present or validly represented in the meeting, except for (A) the attributions provided in art. 14 (4), letters (d), (n) (q), (r), and (s), in which case the decisions will be taken with the favourable vote of at least 55% of the total number of voting rights, and (B) the attributions provided in art. 14 (4) (f) (h) in what concerns the main	For the valid deliberations of the extraordinary general meeting of the shareholders, the following are necessary: a) at the first convening, the presence of shareholders representing one quarter (1/4) of the total number of voting rights, and decisions must be taken with the majority of the votes held by the shareholders present or validly represented in the meeting, except for (A) the attributions provided in art. 14 (4), letters (d), (n) and (o), in which case the decisions will be taken with the favourable vote of at least 55% of the total number of voting rights, and (B) the	*Changing the reference to art. 14 (4) represents just an alignment with the amendments proposed under art. 14 (4) – see line 7 above.*

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		business object, (i), (j) and (k), in which case the decision will be adopted with a majority of at least two thirds (2/3) of the voting rights held by the shareholders present or validly represented in the meeting, but not less than 55% of the total voting rights. In case the quorum provided at this point (3) (a) of the current article is not duly met, the meeting shall be adjourned to another day at and time and place established in accordance with the legal provisions; b) at the second and subsequent convening, the extraordinary general meeting of the shareholders can deliberate with respect to the items on the agenda of the first meeting in the presence of the shareholders holding one fifth (1/5) of the total number of voting rights and can adopt decisions with the majority of the votes held by the shareholders present or validly represented in the meeting, except for the (A) attributes provided in art. 14 (4) letters (d), (n) (q), (r), and (s), situation in which the decisions shall be taken with the favourable vote of at least 55% of the total number of voting rights and (B) attributes provided in art. 14 (4) points (f), (h) regarding the main business object, (i), (j) and (k), in which case the decision will be adopted with at least two thirds (2/3) of the voting rights held by shareholders present or validly	attributions provided in art. 14 (4) (f) (h) in what concerns the main business object, (i), (j) and (k), in which case the decision will be adopted with a majority of at least two thirds (2/3) of the voting rights held by the shareholders present or validly represented in the meeting, but not less than 55% of the total voting rights. In case the quorum provided at this point (3) (a) of the current article is not duly met for a particular resolution, the meeting shall meet to debate and vote on that resolution, at the second convening; b) at the second and subsequent convening, the extraordinary general meeting of the shareholders can deliberate with respect to the items on the agenda of the first meeting in the presence of the shareholders holding one fifth (1/5) of the total number of voting rights and can adopt decisions with the majority of the votes held by the shareholders present or validly represented in the meeting, except for the (A) attributes provided in art. 14 (4) letters (d), (n) and (o), situation in which the decisions shall be taken with the favourable vote of at least 55% of the total number of voting rights and (B) attributes provided in art. 14 (4) points (f), (h) regarding the main business	The convening of a general meeting of shareholders usually includes the date of the second convening of the meeting which will take place in the event that the quorum for the first meeting is not met. Therefore, if a special quorum is not met for a particular item on the agenda, then that item on the agenda shall be debated at the second meeting. The law does not deal with the possibility and conditions of postponing a general meeting but only convening a meeting (which may include the first / second convening). If neither in the first convening nor in the second convening the special quorum is met, then the procedure for convening a new general meeting of shareholders shall be resumed by decision of the board of directors and with the appropriate publicity formalities[6].

[6] Article 112 para. 2 of Law 31/1990 If the ordinary general meeting cannot work due to the non-fulfilment of the conditions provided in par. (1), the assembly that will meet at a second convening may deliberate on the items on the agenda of the first assembly, regardless of the quorum gathered, taking decisions with the majority of votes cast. For the general meeting convened at the second convening, the articles of association may not provide for a minimum quorum or a higher majority..

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		represented in the meeting, but not less than 55% of the total voting rights	object, (i), (j) and (k), in which case the decision will be adopted with at least two thirds (2/3) of the voting rights held by shareholders present or validly represented in the meeting, but not less than 55% of the total voting rights.	
11.	Art. 16 para. (4)	By way of exception from the provisions mentioned under paragraph (3) above, in case of any decisions regarding the withdrawal of the preference right of shareholders to subscribe for new shares in a share capital increase, the general meeting of the shareholders must vote with the observance of the relevant legal provisions regarding the quorum of the general meeting of the shareholders and the voting majority, as provided in the capital markets legislation	By way of exception from the provisions mentioned under paragraph (3) above, in case of any decisions regarding the withdrawal of the preference right of shareholders to subscribe for new shares in a share capital increase or regarding the increase of the share capital by contributions in kind, the general meeting of the shareholders must vote with the observance of the relevant legal provisions regarding the quorum of the general meeting of the shareholders and the voting majority, as provided in the capital markets legislation	For alignment with the provisions of art. 88[7] of Law 24/2017 which imperatively impose the same quorums and majorities also for share capital increase by contribution in kind, not only for share capital increase with withdrawing the right of preference.
12.	Art. 16 para. (12)	The Chairman shall take such measures or give directions as it might be necessary to promote the orderly conduct of the meeting as laid down in the convening notice of the meeting, including adjourning the meeting	*Para. (16) is amended by eliminating the phrases "* provided that the present/ represented shareholders confirm/ approve this decision *" and "* provided that the present/ represented shareholders	The person who chairs the meeting of the general meeting of shareholders may take a series of measures related to the organization of the meeting, this duty being provided by art. 140[1] para. 4[8] of Law 31/1990 which does not require the

[7] **Art. 88.** -(1) In case of an increase in share capital by cash contribution, the withdrawal of the shareholders' preference right to subscribe for the new shares must be decided at the extraordinary general meeting of shareholders, attended by shareholders representing at least 85% of the subscribed share capital and with the vote of shareholders holding at least 3/4 of the voting rights. Following the withdrawal of the shareholders' pre-emptive right to subscribe for the new shares, they will be offered for subscription to the public in compliance with the provisions on public offerings for sale under Title II and the regulations issued in their application. (2) The increase of share capital by contribution in kind is approved by the extraordinary general meeting of shareholders, attended by shareholders representing at least 85% of the subscribed share capital, and with the shareholders' vote representing at least 3/4 of the rights of vote. Contributions in kind may consist only of new and high-performance goods necessary to achieve the object of activity of the issuing company.

[8] **Art. 140[1].** (4) The chairman coordinates the work of the board and reports on it to the general meeting of shareholders. He oversees the proper functioning of the company's bodies.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		at any time if it is necessary to secure the proper and orderly conduct of the meeting, provided that the present/ represented shareholders confirm/ approve this decision. The Chairman's decision on matters of procedure or arising incidentally from the meeting shall be final as shall be his determination as to whether any matter is of such a nature, provided that the present/ represented shareholders confirm/ approve this decision	confirm/ approve this decision *", as follows:* The Chairman shall take such measures or give directions as it might be necessary to promote the orderly conduct of the meeting as laid down in the convening notice of the meeting, including adjourning the meeting at any time if it is necessary to secure the proper and orderly conduct of the meeting. The Chairman's decision on matters of procedure or arising incidentally from the meeting shall be final as shall be his determination as to whether any matter is of such a nature	confirmation of such a decision by the general meeting of shareholders. Moreover, not only is it in fact difficult or sometimes impossible for such a decision to be adopted by the general meeting of shareholders, but according to the law, it is not allowed to adopt decisions on matters that are not on the agenda[9].
13.	Art. 17 para. (5)	In order to be enforceable against third parties, the decisions of the general meeting of the shareholders shall be submitted to the Trade Register within 15 days, in order to be mentioned in the excerpt in the register and published in the Romanian Official Gazette. The vote results shall be published on the Company's webpage within maximum 15 days from the date of the general meeting. Upon request of the general meeting of shareholders, other documents may also be published on the webpage, according to the legal provisions.	*Para. (5) is amended by eliminating the text " Upon request of the general meeting of shareholders, other documents may also be published on the webpage, according to the legal provisions.", as follows:* In order to be enforceable against third parties, the decisions of the general meeting of the shareholders shall be submitted to the Trade Register within 15 days, in order to be mentioned in the excerpt in the register and published in the Romanian Official Gazette. The vote results shall be published on the Company's webpage within maximum	The general meeting of shareholders may not make requests other than by making decisions to that effect. Likewise, decisions on matters other than those on the agenda may not be made at a general meeting of shareholders. Therefore, given these aspects, it is advisable that, in order to avoid the risk of interpretation (i.e the request of the meeting can be interpreted as representing the request of a single shareholder despite the fact that the meeting is a collective structure), this provision should be eliminated, especially considering that the range of documents to be made available in connection with a general meeting of shareholders is regulated in detail by the applicable regulatory framework.

[9] Article 129 para. (7) of Law 31/1990 Decisions cannot be adopted on some items on the agenda that have not been published in accordance with the provisions of art. 117 and 1171, unless all shareholders were present or represented and none of them opposed or challenged this decision.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
			15 days from the date of the general meeting	
14.	Art. 18 para. (2)	The Romanian State, represented by the competent authority according to the law, will not be able to propose more than 3 (three) candidates for the positions of directors, members of the Board. The candidates for the other 4 (four) positions of directors shall mandatorily be independent and shall be proposed by other shareholders. Also all independent candidates shall comply with the eligibility and independence criteria acceptable to the Company's shareholders, including at least the following mandatory eligibility and independence criteria arising from the best international practices in the field: a. the candidate must not be a manager of the Company or any company controlled by it and must not have had such a position in the last 5 (five) years; b. the candidate must not have been an employee of the Company or of any company controlled by it or must not have had any such employment relationship in the last 5 (five) years; c. the candidate must not receive or have received from the Company or from any company controlled by it, a supplementary remuneration or any other advantages, other than the ones corresponding to his position of non-executive director;	The Romanian State, represented by the competent authority according to the law, will not be able to propose more than 3 (three) candidates for the positions of directors, members of the Board. The candidates for the other 4 (four) positions of directors will be proposed by the other shareholders. The independent candidates shall comply with the independence criteria set out in the applicable law and in the code of governance of the regulated market or of the multilateral trading facility on which the shares issued by the Company are traded, applicable at the time of the candidature application.	*Legal principles:* • the GMS decisions contrary to the articles of association are null / subject to annulment • the generic right of shareholders to nominate candidates cannot be limited • the shareholders are sovereign in terms of the method of voting, respectively the allocation of votes to the preferred candidates *Factual principle:* • depending on the allocation of votes by shareholders, the structure of the board of directors may not comply with the requirement that at least four directors be independent (the probability of risk materialization increases when using the cumulative voting method) • shareholders cannot be sanctioned for the way they exercised / allocated voting rights *Risks arising from the situation where, following a GMS decision, a board of directors is elected that does not include at least four independent directors*

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		d. the candidate must not be a significant shareholder of the Company; is not and has not been an employee or a representative of a significant shareholder of the Company, does not have or has not had any contractual relationship, during the previous financial year, with a significant shareholder of the Company, (significant more than 10% of voting rights) or with another company controlled by the respective shareholder; e. the candidate must not have or have had, in the last year, business relationships with the Company or with a company controlled by it, either personally, or as shareholder, director, manager or employee of a company which has such relationships with the Company, if, through their material nature, they may affect the candidate's objectiveness; f. the candidate must not be or have been in the last 3 (three) years financial auditor, shareholder or employee of the current financial auditor of the Company or of any company controlled by it; g. the candidate must not be a manager in any other company in which a manager of the Company is non-executive director;		• he GMS decision can be annulled in court, and the annulment produces retroactive effects • the retroactive effect of the cancellation may invalidate any subsequent GMS decisions adopted, as the board of directors elected by the cancelled GMS decision did not have the right to convene a subsequent GMS • actions can be filed in court tending to annul the decisions of the board of directors that did not have the composition in accordance with the articles of association The materialization of the previously identified risks is likely to cause major disruptions to the proper conduct of EL. business *Proposed solutions in order to eliminate the compliance risk detailed above* The establishment in the articles of association of some transitional provisions according to which: • the board of directors, which does not have at least four independent directors (as a result of the allocation of shareholder votes), is a valid board constituted with a limited mandate • the limitations to the mandate of such a board of directors are the following: ○ a maximum 4 -month mandate ○ an obligation to convene, within a maximum of two months, a new

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		h. the candidate must not have been a non-executive director of the Company for more than 2 (two) full mandates (i.e. 8 years); i. the candidate must not have any family relationships with a person falling under the situations provided in letters a) and d; j. in the last 5 (five) years, the candidate has not occupied in Romania a management or controlling (i.e. inspection) position in a central or local state authority or has not been a statutory director, a manager or an employee with management prerogatives of a company active on the Romanian territory in the field of electricity distribution, electricity supply, electricity trading or construction, maintenance and design of electricity capacities; k. the candidate shall fulfil the appropriate integrity, expertise and qualifications criteria.		ordinary general meeting of shareholders of EL for the election of a new board of directors Elimination of the requirement that all candidates proposed by shareholders other than the Romanian State be independent. Solving of the situation in which the status of independent director ceases after the election of the director in question, respectively the establishment of the obligation of the board of directors to convene the general meeting of shareholders to remedy the non-compliance. Establishing the principle according to which the independence requirements are those included in the law and in the regulations of the Bucharest Stock Exchange.
15.	Art. 18 para. (3) and (4)	New paragraphs	*After para. (2) two new paragraphs are entered (bearing the numbers (3) and (4)), continuing the numbering of the subsequent paragraphs, as follows:* (3) If, following the counting of the votes cast in connection with the election of the members of the Board, it is established that fewer than four independent directors have been elected to the Board, the Board thus elected shall have a	

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
			limited term of office, i.e. for a maximum period of four months. The Board thus elected has the obligation to approve and publish, within two months of the election, the convening of the ordinary general meeting of the shareholders of the Company, the agenda of which shall include the election of all members of the Board. (4) If, after the election, it is found that a member of the Board no longer meets the independence requirements referred to in paragraph (2) and that following the loss of the independent director status, the Board includes less than four independent directors, the Board shall, within a maximum period of two months from the date of the finding, approve and publish the convening of the ordinary general meeting of the shareholders of the Company, the agenda of which shall include the revocation of the Board member who no longer meets the independence requirements and the election of a new independent Board member.	
16.	Art. 18 para. (12) letter. c)	A director's mandate will be terminated: c) by resignation for grounds which may not be attributed to the director, based on a written notification delivered to the Chairman at the Company's headquarters;	*Letter. c) is amended and will read as follows:* A director's mandate will be terminated: c) by resigning the mandate, for grounds which may not be attributed to the	For terminological alignment with the provisions of the Civil Code[10] which regulates waiving of the mandate as an option to terminate the contract (resignation being in principle a specific term for

[10] Art. 2.034. -(1) The agent may renounce the mandate at any time by notifying the principal of his resignation.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
			director, based on a written notification delivered to the Chairman at the Company's headquarters;	the termination of individual employment contracts[11]).
17.	Art. 18 para. (16)	The Board elects a chairman from among its members (the "**Chairman**"). The Chairman coordinates the board's activity and reports in the name of the Board in this respect to the general meeting of the shareholders, in accordance with the law. If the Chairman is unable to temporarily perform his/her duties, during the period in which he/she is unable to act, the Board may entrust another director to act as Chairman. For facilitating its decision-making process, the Board may decide to create one or more vice-chairman positions.	The Board elects a chairman from among its members (the "**Chairman**"). The Chairman coordinates the board's activity and reports in the name of the Board in this respect to the general meeting of the shareholders, in accordance with the law. If the Chairman is unable to temporarily perform his/her duties, during the period in which he/she is unable to act, the Board may entrust another director to act as Chairman. For facilitating its decision-making process, the Board may decide to create one or more vice-chairman positions, with the person acting as vice-chairman exercising the specific duties of the Chairman, if the Chairman is unavailable.	The addition is meant to bring clarity regarding the role of the vice-chairman / vice-chairmen in accordance with the provisions of art. 140^1 para. 5^{12} of Law 31/1990.
18.	Art. 18 para. (24)	The debates are audio recorded and, as the case may be, video recorded, and are registered in the minutes of the meeting. The minutes will comprise the participants' names, the agenda and the order of the	The debates are audio recorded and, as the case may be, video recorded, and are registered in the minutes of the Board's meeting. The minutes will comprise the participants' names, the agenda and the	The addition is intended to add precision to the text.

[11] Labor Code Art. 81. -(1) Resignation means the unilateral act of will of the employee who, by a written notification, communicates to the employer the termination of the individual employment contract, after the fulfilment of a notice period.

[12] Art. 140^1. (5) If the chairperson is temporarily unable to perform his / her duties, the board of directors may, during the respective state of inability, entrust another director with the function of chairman.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		deliberations, the taken decisions, the number of casted votes and the dissenting opinions and indicating the person having requested the registration, other matters / information it believes are noteworthy. The minutes will be signed by the Chairman, by a director that attended the meeting and by the secretary of the meeting. The secretary drafts the decision of the Board based on the minutes.	order of the deliberations, the taken decisions, the number of casted votes and the dissenting opinions and indicating the person having requested the registration, other matters / information it believes are noteworthy. The minutes will be signed by the Chairman, by a director that attended the meeting and by the secretary of the meeting. The secretary drafts the decision of the Board based on the minutes	
19.	Art. 18 para. (29)	By way of exception from article 18 paragraph (26) of these Articles of Association, for the accomplishment of the duties of the Board, the Company may contract, based on the decision of the Board, services carried out by third parties. In relation with the third parties contracted based on the decision of the Board, the Company shall be represented by the General Manager or by any other person nominated in the decision of the Board who can legally represent the Company.	By way of exception from article 18 paragraph (28) of these Articles of Association, for the accomplishment of the duties of the Board, the Company may contract, based on the decision of the Board, services carried out by third parties. In relation with the third parties contracted based on the decision of the Board, the Company shall be represented by the General Manager or by any other person nominated in the decision of the Board who can legally represent the Company.	*Exclusively phrasing change.* Re-aligning the reference following the proposal to add two new paragraphs (see line 16 above).
20. 21.	Art. 18 para. (32)	The members of the Board are jointly or severally liable, as the case may be, towards the Company for the damages resulted from criminal offences, from breaches of the legal provisions or of the Articles of Association or for management errors.	The members of the Board are jointly or severally liable, as the case may be, towards the Company for the damages resulted from criminal offences or from breaches of their obligations under their mandate agreements concluded.	The amending recommendations are intended to clarify the text and eliminate interpretations. Thus, liability should also be incurred for non-compliance with the obligations undertaken by the mandate contract, even if they are not expressly provided for by law or by the articles of association. The concept of error of management is

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
				a concept not defined by law and as such susceptible to different interpretations.
22.	Art. 19 A. para. (1) letter. l)	The Board shall have mainly the following duties: l) submits to the general meeting of the shareholders for approval, within a maximum of 120 days from the end of the financial year, the Company's activity report, the balance sheet and the profit and loss statement for the previous financial year;	The Board shall have mainly the following duties: l) submits to the general meeting of the shareholders for approval, within a maximum of 4 months from the end of the financial year, the annual financial statements of the Company prepared for the previous financial year, based on the directors' report and on the auditor's report;	The legal term is that of 4 months for publishing the yearly report[13] (which assumes that the financial statements must be approved by the shareholders within the same period); the term of 120 days is not equivalent to the term of 4 months. Shareholders do not approve activity reports, they approve financial statements based on the directors' report, which is fundamentally a report on the company's activity. In fact, the general meetings of Electrica convened for the approval of the financial statements does not include the approval of the activity report, an approach fully consistent with the provisions of the Law. 31/1990[14]. Electrica prepares the financial statements in accordance with IFRS. By reference to IFRS there are no notions of balance sheet / profit and loss account, their correspondent being the statement of financial position / statement of comprehensive income. Moreover, the financial statements prepared in accordance with IFRS include two other components, namely the statement of changes in equity and the statement of cash flows. Therefore, the proposed amendment consists in

[13] Law 24/2017 Art. 65. - (1) The issuer shall publish an annual financial report no later than 4 months after the end of each financial year and shall ensure its public availability for at least 10 years.

(2) The annual financial report is composed of: a) the audited annual financial statements; b) the report of the board of directors;

[14] Art. 111 **(2)** In addition to debating other issues on the agenda, a general meeting is required:

a) to discuss, approve or amend the annual financial statements on the basis of the reports submitted by the board of directors or the board of directors and the supervisory board, the auditors or, as the case may be, the financial auditor, and to establish the dividend.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
				using the framework concept of financial statements, an approach otherwise consistent with the provisions of the Law. 31/1990.
23.	Art. 19 A. para. (1)	The Board shall have mainly the following duties: (...)	*Four new duties are included (marked by m), u), v) și z)), with the corresponding renumbering of the remaining tasks, which will have the following content:* The Board shall have mainly the following duties: m) submits to the general meeting of shareholders for approval, the remuneration policy and the remuneration report; u) approves the contracts for providing services by the Company for the benefit of related parties or by related parties for the benefit of the Company, based on the mandatory opinion of the audit and risk committee; v) approves significant transactions with related parties, on the basis of the mandatory opinion of the audit and risk committee; "significant transaction" means any transfer of resources, services or obligations, whether or not it involves the payment of a price, the individual or aggregate value of which represents more than 5% of the Company's net assets, according to the latest individual	*Adding the letter m) to the duties list* • In order to correlate with the proposal to modify the articles of association from art. 14 para. 3 lit. j (see line 5 above) *Adding the letter. u) to the duties list* • This addition will cause the approval by the board of directors of all the contracts that will be concluded within the project Fit for Future • Allocation of responsibilities to ensure good management of potential conflicts of interest *Adding the letter. v) to the duties list* • For alignment to the provisions of art. 108 para. 8[15] of Law 24/2017 *Adding the letter z) to the duties list*

[15] (8) Significant transactions with related parties are approved by the issuer's board of directors or supervisory in accordance with procedures that prevent an affiliated party from taking advantage of its position and provide adequate protection for the interests of the issuer and non-affiliated shareholders, including minority shareholders. The affiliated party may not participate in the approval, respectively in the vote of the significant transaction involving that affiliated party, under the sanction of nullity, by decision of the court, of the decision taken in violation of this prohibition.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
			financial reports published by the Company; z) approves the establishment or dissolution of secondary offices: branches, agencies, representative offices, working points or other similar units without legal status, according to the legal provisions	• for correlation with the proposal to modify the articles of association from art. 14 para. 4 lit. o (see row 7 above) • rendering the decision-making process more flexible
24.	Art. 19 A. para. (2)	The Board is obliged to submit to the territorial unit of the Ministry of Public Finance within the legal term hard copies and electronic copies (or just electronic copies) of the financial statement, along with the financial auditor's report and the minutes of the general meeting, in accordance with the law. The Board must also publish in the Official Gazette an announcement confirming the submission of the financial statements.	The Board is obliged to submit to the territorial unit of the Ministry of Public Finance within the legal term hard copies and electronic copies (or just electronic copies) of the financial statements, along with the financial auditor's report and the minutes of the general meeting, in accordance with the law. The Board must also publish in the Official Gazette an announcement confirming the submission of the financial statements.	*Rephrasing.* Terms alignment generated by the fact that the legal provisions and the Articles of Association mainly use the financial statements term.
25.	Art. 20 para. (1) A letter. b) and lit. j)	The extraordinary general meeting of the shareholders of the Company with respect to the following: b) the issuing and admission to trading on a regulated market or in an alternative system of shares, certificates of deposit, allotment rights or other similar financial instruments j) approving the investment projects to which the subsidiaries will participate and	*Letters. b) and j) are amended and shall read as follows:* The extraordinary general meeting of the shareholders of the Company with respect to the following: b) the issuing and admission to trading on a regulated market or on a multilateral trading facility of shares, certificates of deposit, allotment rights or other similar financial instruments;	*Amendment under letter b* In the capital market specific legislation, the concept of an alternative trading system no longer exists, being replaced by that of a multilateral trading system. [16]. Therefore, the amendment is intended to align the provisions of the articles of

[16] See art. 3 para. 1 point 26 of Law 126/2018 vs art. 2 para. 1 point 26 of Law 297/2004 (currently repealed)

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		which will trigger expenses / contributions higher than EUR 25 million (at the exchange rate RON / EUR valid at the date of convening) for each project, except the project whose approval is infringing the legal provisions on separating the distribution activities from other activities that are not related to distribution (i.e. unbundling), under which, inter alia, the parent company cannot give any instructions regarding the activity of distribution, if any, and / or take any individual decision regarding the construction or rehabilitation of power distribution capacity, as appropriate.	j) approving the financial component of the investment projects to which the subsidiaries will participate and which will trigger expenses / contributions higher than EUR 25 million (at the exchange rate RON / EUR valid at the date of convening) for each project, if the implementation of these projects is not in line with the revenue and expenditure budget and with the approved annual investment plan, except for those of which approval is infringing the legal provisions on separating the distribution activities from other activities that are not related to distribution (i.e. unbundling), under which, inter alia, the parent company cannot give any instructions regarding the activity of distribution, if any, and / or take any individual decision regarding the construction or rehabilitation of power distribution capacity, as appropriate.	association with the changes in the specific legislation of the capital market *Amendment under letter. j* The amendment is intended to ensure better management of the risk of compliance with the unbundling legal requirements.
26.	Art. 20 para. (1) B letter. k)	The Board with respect to all the other decisions that need to be taken in the subsidiaries' general meeting of the shareholders and which have not been mentioned as pertaining to the extraordinary general meeting of the shareholders of the Company in paragraph A. above, including, but without limitation to, the following:	*Letter. k) is amended and shall read as follows:* The Board with respect to all the other decisions that need to be taken in the subsidiaries' general meeting of the shareholders and which have not been mentioned as pertaining to the extraordinary general meeting of the shareholders of the Company in	The amendment is intended to ensure better management of the risk of compliance with the unbundling legal requirements.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		k) approving the investment projects in which the subsidiaries will participate and which will imply costs/contributions in value lower than or equal to EUR 25 million (at the exchange rate RON/EUR valid on the date of convening) for each project, except for the projects whose approval is infringing the legal provisions on separating the distribution activities from other activities that are not related to distribution (i.e. unbundling), under which, inter alia, the parent company cannot give any instructions regarding the activity of distribution, if any, and / or take any individual decision regarding the construction or rehabilitation of power distribution capacity, as appropriate	paragraph A. above, including, but without limitation to, the following: k) approving the financial component of the investment projects in which the subsidiaries will participate and which will imply costs/contributions in value lower than or equal to EUR 25 million (at the exchange rate RON/EUR valid on the date of convening) for each project, if the implementation of these projects is not in line with the revenue and expenditure budget and with the approved annual investment plan, except for the projects which approval is infringing the legal provisions on separating the distribution activities from other activities that are not related to distribution (i.e. unbundling), under which, inter alia, the parent company cannot give any instructions regarding the activity of distribution, if any, and / or take any individual decision regarding the construction or rehabilitation of power distribution capacity, as appropriate	
27.	Art. 20 para. (3)	The Board is obliged to inform the general meeting of shareholders of the subsidiaries after adopting decisions provided under art. 20 paragraph (1)B letters a, b, c, d, and l above.	*Para. (3) is eliminated.*	The regime of publicity and registration of the decisions of the general meeting of shareholders of a joint stock company is strictly regulated by law and is likely to ensure the proper information of shareholders by making them available for consultation.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
28.	Art. 21	The Company shall maintain, by the care of the Board and of the internal auditors all the registers provided by the law	*Art. 21 is amended by eliminating the phrase "and of internal auditors" and shall read as follows:* The Company shall maintain, by the care of the Board all the registers provided by the law.	Law 31/1990 establishes the obligation to keep annual registers (e.g. the register of shareholders, the register of deliberations) exclusively for the board of directors. In relation to these registers, internal auditors cannot be actively involved in maintaining them, as the fundamental role of auditors is to verify the compliance of the company's activities with legal requirements.
29.	Art. 26	**Acounting records and the balance sheet** (1) The Company shall keep the accounting records in RON and shall elaborate the balance sheet and the profit and loss statement, on a yearly basis, considering the methodological norms elaborated by the Ministry of Finance. (2) The balance sheet and the profit and loss statement shall be published in the Official Gazette according to the legal provisions.	*Art. 26 is amended by changing the para. (1) and by eliminating para. (2) and shall read as follows:* **Accounting records and financial statements** (1) The Company shall keep the accounting records in RON and shall elaborate the financial statements on a yearly basis, considering the methodological norms elaborated by the Ministry of Finance.	Electrica prepares the financial statements in accordance with IFRS. By reference to IFRS there are no notions of balance sheet / profit and loss account, their correspondent being the statement of financial position / statement of comprehensive income. Moreover, the financial statements prepared in accordance with IFRS include two other components, namely the statement of changes in equity and the statement of cash flows. Therefore, the proposed amendment consists in using the framework concept of financial statements, an approach otherwise consistent with the provisions of Law 31/1990.
30.	Art. 27 para. (5)	The Company pays dividends to the issuer of the depositary certificates proportionally to its deposits at the registration date set by the general meeting of the shareholders which approved the distribution of such dividends, in the same conditions and observing the same rules applicable to other shareholders. The issuer of the depositary certificates is fully responsible that the sums paid as dividends will be received by the holders of the depositary certificates, proportionally with	The Company pays dividends to the issuer of the depositary certificates proportionally to its holdings at the registration date set by the general meeting of the shareholders which approved the distribution of such dividends, in the same conditions and observing the same rules applicable to other shareholders. The issuer of the depositary certificates is fully responsible that the sums paid as dividends will be received by the holders of the depositary	*Phrasing amendment* Financial instruments being issued in dematerialized form are not subject to deposit.

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		their holdings at the registration date set by the general meeting of the shareholders which approved the distribution of such dividends.	certificates, proportionally with their holdings at the registration date set by the general meeting of the shareholders which approved the distribution of such dividends.	
31.	Art. 29 para. (3)	The terms for the Company's participation in the establishment of new legal entities or partnership agreements shall be decided in the articles of association or the partnership contract, which shall be approved by the general meeting of shareholders.	*Art. 29 is changed by eliminating para. (3)*	At the level of principle, the shareholders must decide on the legal acts with the greatest impact (context in which there are a series of duties of the general meeting of shareholders aimed at the shareholders approval of some acts for which value thresholds have been established and the exceeding of which determines the obligation to obtain the approval of the GMS); the approval by the shareholders of the participation of Electrica in the incorporation of limited liability legal entities (without any qualification of materiality) with a share capital of RON 1,000 to be subject to shareholder approval (thus the arguments mentioned in letter a) above remain valid; therefore, by removing this power, shareholders will be required to approve legal acts that exceed the thresholds mentioned in the articles of association; For correlation with the proposal to amend the Articles of Association art. 14 lit. p (see row 7 above).
32.	Art. 31 A para. (2) and (3)	**A. Merger and spin-off** (1) The Company's merger or spin-off shall be approved by decision of the extraordinary general meeting of the shareholders.	**A. Merger and spin-off** (1) The Company's merger, separation or spin-off shall be approved by decision of the extraordinary general meeting of the shareholders (2) In case of a merger, separation or spin-off, the Board must draw up a	Separation is a different division operation regulated as such by Law 31/1990 and for clarity it is advisable to be expressly nominated; In practice, separation is often equivalent to or associated with division, although the defining elements of the two types of corporate reorganization are different. We mention that from a practical perspective,

No	*Article*	*Current phrasing*	*Proposal for amendment*	*Rationale*
		(2) In case of a merger or spin-off, the Board must draw up a merger or spin-off plan, according to the legal provisions.	merger or spin-off plan, according to the legal provisions.	separation operations are much more frequent than division operations.
33.	Art. 32	The provisions of these Articles of Association shall be supplemented by the provisions of the Companies Law no. 31/1990, republished, as subsequently amended and supplemented, of the Capital Markets Law no. 297/2004, as subsequently amended and supplemented, and with those of Law no. 287/2009 regarding the Civil code, republished, as well as by the other provisions in force.	The provisions of these Articles of Association shall be supplemented by the provisions of the Companies Law no. 31/1990, republished, as subsequently amended, and supplemented and of Law 24/2017 on issuers of financial instruments and market operations, republished, as well as by the other legal provisions in force	The legal provisions applicable to listed issuers registered in Law 297/2004 were repealed with the entry into force of Law 24/2017. The amendment is intended to link Electrica's Articles of Association to the amendments to the applicable regulatory framework.