

/On the letterhead of the Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment/

No. 103743/5 October 2015

To,

Societatea DFEE ELECTRICA SA

Mr Victor CIONGA, President of the Board of Directors

Attention to: Mr Ioan ROSCA, General Manager

For a better management of the company, in view of creating a balanced structure for the Board of Directors, with broad duties, adapted to the complexity of the business conducted by Electrica group, for the purpose of developing the business and performing some efficient investment, relying on advanced practices, in the area of operations, efficient metering, asset management and corporate governance,

the Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment, acting as shareholder of Societatea DFEE Electrica S.A. holding 168,751,185 shares accounting for 48.78% of the total share capital, taking into account the extraordinary general meeting of shareholders convened for 10/11 November 2015, hereby requests that the Board of Directors of Societatea DFEE Electrica S.A., based on Article 117¹ of the Company Law No. 31/1990, republished, as further amended and supplemented, supplement the agenda of the Extraordinary General Meeting of Shareholders by introducing two items on the agenda, which will read as follows:

1. Amending the Articles of Association of Societatea de Distributie si Furnizare a Energiei Electrice ELECTRICA S.A., as follows:

Art. 7(2) is amended as follows: *“The share capital is held as follows:*

- *The Romanian State, represented by the Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment holds a number of 168,751,185 shares, having a total nominal value of RON 1,687,511,850, out of which RON 38,467,970 contribution in kind (representing plots of land and constructions), representing 48.78% of the share capital;*
- *Shareholders – list type, (462 legal entities), hold a number of 143,261,974 shares, having a total nominal value of RON 1,432,619,740, composed of cash contribution of RON 1,080,809,740 and USD 109,240,801.12 (at an exchange rate of 3.2205 RON/USD), representing 41.41% of the share capital.*
- *Shareholders – list type, (11,151 natural persons), hold a number of 33,926,770 shares, having a total nominal value of RON 339,267,700, composed of cash contribution of RON 339,267,700, representing 9.81% of the share capital.*

The share capital does not include assets such as those provided by art.136, paragraph (4) of the Constitution.”

Art. 7(3) is amended as follows: *“The Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment represents the State as shareholder of “Electrica” S.A. and exercises all the rights attached in its capacity as such.”*

Art. 17(1) is amended as follows: *“Electrica is managed by a board of directors formed of 7 (seven) directors elected by the Ordinary General Meeting of Shareholders of the Company, out of which at least 4 (four) directors must to be independent and nonexecutive. The Board is entrusted with fulfilling all the necessary and useful acts for performing the Company’s business object, save for the ones assigned by the law to the General Meeting of Shareholders, as well as for supervising the directors’ activity.”*

Art. 17(2) is amended as follows: *“The Romanian State, represented by the Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment will not be able to propose more than 3 (three) candidates for the positions of directors, members of the Board. The other 4 (four) candidates for the positions of directors will mandatorily be independent and nonexecutive and will only be proposed by the other shareholders. Also, all the independent candidates shall comply with 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 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 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 nonexecutive director;*
- (d) *the candidate must not be a significant shareholder of the Company;*
- (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 an associate, shareholder, director, manager or employee of a company which has such relationships with the Company, if, through their substantial character, they are of a nature that can affect the candidates objectiveness;*
- (f) *the candidate must not be or have been in the last three years financial auditor or associate 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 nonexecutive director;*
- (h) *the candidate must not have been a nonexecutive director of the Company for more than three mandates;*
- (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 five years, the candidate has not occupied a position in a central or local state authority or in competing companies;*
- (k) *the candidate shall fulfil the appropriate integrity, expertise and qualifications criteria.”*

Art. 17(4) is amended as follows: “*The Board meetings will be validly held in the presence of at least 4 (four) members out of whom one member will mandatorily be an independent member.*”

The remainder articles of the Articles of Association shall remain unchanged.

For this item of the agenda we propose the following **decision draft**:

“Item 1: The Extraordinary General Meeting of Shareholders hereby approves the amendment of the Articles of Association, as follows:

Art. 7(2) is amended as follows: “*The share capital is held as follows:*

- *The Romanian State, represented by the Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment holds a number of 168,751,185 shares, having a total nominal value of RON 1,687,511,850, out of which RON 38,467,970 contribution in kind (representing plots of land and constructions), representing 48.78% of the share capital;*
- *Shareholders – list type, (462 legal entities) hold a number of 143,261,974 shares, having a total nominal value of RON 1,432,619,740, composed of cash contribution of RON 1,080,809,740 and USD 109,240,801.12 (at an exchange rate of 3.2205 RON/USD), representing 41.41% of the share capital;*
- *Shareholders – list type, (11,151 natural persons), hold a number of 33,926,770 shares, having a total nominal value of RON 339,267,700, composed of cash contribution of RON 339,267,700, representing 9.81% of the share capital.*

The share capital does not include assets such as those provided by art.136, paragraph (4) of the Constitution.”

Art. 7(3) is amended as follows: “*The Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment represents the State as shareholder of “Electrica” S.A. and exercises all the rights attached in its capacity as such.*”

Art. 17(1) is amended as follows: “*Electrica is managed by a board of directors formed of 7 (seven) directors elected by the Ordinary General Meeting of Shareholders of the Company, out of which at least 4 (four) directors must to be independent and nonexecutive. The Board is entrusted with fulfilling all the necessary and useful acts for performing the Company’s business object, save for the ones assigned by the law to the General Meeting of Shareholders, as well as for supervising the directors’ activity.*”

Art. 17(2) is amended as follows: “*The Romanian State, represented by the Ministry of Energy, Small and Medium-Sized Enterprises and Business Environment will not be able to propose more than 3 (three) candidates for the positions of directors, members of the Board. The other 4 (four) candidates for the positions of directors will mandatorily be independent and nonexecutive and will only be proposed by the other shareholders. Also, all the independent candidates shall comply with 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 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 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 nonexecutive director;*
- (d) *the candidate must not be a significant shareholder of the Company;*
- (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 an associate, shareholder, director, manager or employee of a company which has such relationships with the Company, if, through their substantial character, they are of a nature that can affect the candidates objectiveness;*
- (f) *the candidate must not be or have been in the last three years financial auditor or associate 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 nonexecutive director;*
- (h) *the candidate must not have been a nonexecutive director of the Company for more than three mandates;*
- (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 five years, the candidate has not occupied a position in a central or local state authority or in competing companies;*
- (k) *the candidate shall fulfil the appropriate integrity, expertise and qualifications criteria.”*

Art. 17(4) is amended as follows: *“The Board meetings will be validly held in the presence of at least 4 (four) members out of whom one member will mandatorily be an independent member.”*

The remainder articles of the Articles of Association shall remain unchanged.

2. Empowering the President of the Board of Directors to sign the addendum to the Articles of Association and the updated Articles of Association, and the meeting secretariat and the technical secretariat to jointly sign the decision of the Extraordinary General Meeting of Shareholders and to individually or jointly fulfil any act or formality required by the law in order to register and publish the decision as well as the addendum and the updated Articles of Association with the Commercial Registry Office of the Bucharest Tribunal.

For this item on the agenda, we propose the following **decision draft**:

“Item 2: The Extraordinary General Meeting of Shareholders hereby approves the empowering of the President of the Board of Directors to sign the addendum to the Articles of Association and the updated Articles of Association, and the meeting secretariat and the technical secretariat to jointly sign the decision of the Extraordinary General Meeting of Shareholders and to individually or jointly fulfil any act or formality required by the law in order to register and publish the decision as well as the addendum and the updated Articles of Association with the Commercial Registry Office of the Bucharest Tribunal.”

Yours respectfully,

ANDREI DOMINIC GEREA,

**MINISTRY OF ENERGY, SMALL AND MEDIUM-SIZED ENTERPRISES
AND BUSINESS ENVIRONMENT**

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