

Electrica S.A.	Policy regarding transparency	Cod: ESC-P-4
	Ensuring transparency within the Electrica Group	Ed. 1, Act. 1
		Page: 1/9

## Policy regarding transparency

### **Intellectual property:**

This document and all documentation describing the management system of ethics, sustainability and compliance are the exclusive property of S.D.F.E.E. Electrica S.A.

<b>Electrica S.A.</b>	<b>Policy regarding transparency</b>	<b>Cod: ESC-P-4</b>
	<b>Ensuring transparency within the Electrica Group</b>	<b>Ed. 1, Act. 1</b>
		<b>Page: 2/9</b>

### DISTRIBUTION LIST

<b>No.</b>	<b>Organizational Entity</b>	<b>Position</b>	<b>Full Name</b>
	<b>All organizational entities</b>	<b>Every position</b>	<b>Entire staff</b>

### THE CHECKLIST OF EDITIONS/UPDATES

<b>No.</b>	<b>Date</b>	<b>No. paragraph</b>	<b>Brief of changing content</b>	<b>Author of edition/update</b>
1	16.12.2015		The policy development	SESC

Electrica S.A.	Policy regarding transparency	Cod: ESC-P-4
	Ensuring transparency within the Electrica Group	Ed. 1, Act. 1
		Page: 3/9

## SUMMARY

### Distribution list

### The checklist of editions/updates

AIM.....	4
APPLICABILITY.....	5
DEFINITIONS . .....	5
THE PRINCIPLES OF THE POLICY .....	6
RULES OF ENFORCEMENT .....	8
REPORTING OF NON-COMPLIANCE.....	9

<b>Electrica S.A.</b>	<b>Policy regarding transparency</b>	<b>Cod: ESC-P-4</b>
	<b>Ensuring transparency within the Electrica Group</b>	<b>Ed. 1, Act. 1</b>
		<b>Page: 4/9</b>

## **Aim**

In accordance with the Code of Ethics and Professional Conduct, the Organisation undertakes through the departments/advisory specialists involved in the processes of internal and external communication (investor relations, marketing, public relations and CSR, human resources, ethics sustainability and compliance) to conduct its business with transparency and compliance with stated standards and best practices of ethics and integrity. The aim of the Transparency Policy is to protect the company against reputational, commercial and financial risks, arising from suspicions of ethical misconduct or non-compliance in relation to the values and principles assumed in the Code of Ethics and Professional Conduct.

The Organisation makes public all the information required by applicable national and international regulations in force in its field.

- ✓ The standards of European Bank for Reconstruction and Development on corporate governance practices;
- ✓ United Nations Convention against Corruption;
- ✓ Directive 2005/60/EC of the European Parliament and European Council of 26 October 2005 on prevention of the use of the financial system for money laundering and terrorist financing;
- ✓ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC Text with EEA relevance;
- ✓ Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 amending Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and Commission Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC Text with EEA relevance;
- ✓ Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies;
- ✓ Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and Groups Text with EEA relevance;
- ✓ Law no. 53/2003, the Labour Code, amended and supplemented;
- ✓ Law no.62/ 2011, the Social Dialogue Law, amended and supplemented;
- ✓ Law no. 31/1990;
- ✓ Organisation's Collective Agreement;
- ✓ General Secretariat of Government's Order no. 400/2015;
- ✓ BSE Corporate Governance Code;
- ✓ BSE Manual on reporting in corporate governance;
- ✓ BSE Compendium of best practices of corporate governance;

Electrica S.A.	Policy regarding transparency	Cod: ESC-P-4
	Ensuring transparency within the Electrica Group	Ed. 1, Act. 1
		Page: 5/9

- ✓ BSE code - Market Operator;
- ✓ Decision 1000/2014 - Fiscal Surveillance Authority;
- ✓ G20 / OECD Principles of Corporate Governance;
- ✓ Recommendation 2005/162/EC;
- ✓ Recommendation 2009/385/EC;
- ✓ Recommendation 2014/208/EU;

### Applicability

This policy is applicable to all Personnel of Electrica SA and its subsidiaries, in all the activities performed for or on behalf of the Organisation.

### Definitions

**Organisation** – The ensemble of Electrica S.A.'s structures and its subsidiaries, and other entities inside the Group, whether they have legal personality or not.

**Personnel/ Electrica's Personnel** – The Management, employees and any other persons working within or on behalf of the Organisation, having a decisional power or not, paid or not, no matter the legal form of the agreement they have with Electrica S.A, its subsidiaries and other entities, with or without legal personality, inside the Group.

**Transparency** - Trait of governments, companies, organisations and individuals to be open to the publication of information, rules, plans, processes and actions. On principle, government officials and parliamentarians, civil servants, companies and organisations' managers and directors, as well as board members have a duty to act visibly, predictably and intelligibly to promote participation and accountability<sup>1</sup>.

**Beneficial owner** - the person who owns or ultimately controls a legal entity by holding, directly or indirectly, the entire package of shares or a number of shares or voting rights sufficient to ensure the control, including bearer shares. In the last case, the owned or controlled legal person is not an entity whose shares are traded on a regulated market, which is subject to disclosure requirements consistent with those covered by European legislation or internationally set standards. This criterion is considered to be met if the ownership covers at least 25 % plus one of the shares<sup>2</sup>.

### The principles of the policy

#### 1. General rules

- 1.1. Information provided by the Organisation is explicit, accurate, transparent and complete in terms of form and content, in order to grant fully informed decisions of those whom it is addressed to.

<sup>1</sup> Transparency International. *The Anti-Corruption Plain Language Guide*. 2009;

<sup>2</sup> Law no. 656/2002 for preventing and sanctioning money laundering, and the establishment of measures to prevent and combat terrorism financing;

<b>Electrica S.A.</b>	<b>Policy regarding transparency</b>	<b>Cod: ESC-P-4</b>
	<b>Ensuring transparency within the Electrica Group</b>	<b>Ed. 1, Act. 1</b>
		<b>Page: 6/9</b>

1.2. The Organisation recognises the fundamental role of the media and conducts a transparent communication to the public through all communication media. In relation to civil society, Electrica's Personnel operate under the principles of transparency, respect and care for the image of the Organisation.

2. Transparency in relation to clients

- 2.1. The Organisation and its Personnel inform the public correctly and completely about all its services' specifications.
- 2.2. The Organisation is attentive to the real needs of its clients, consults them and provides competitive solutions for their both present and future needs, without affecting fair competition.
- 2.3. Electrica provides a space for dialogue and communication of partners, clients and stakeholders' opinions on the Organisation's website.
- 2.4. The Organisation and its Personnel act promptly, in a complete manner and without discrimination, responding both to the public needs for correct information and the requests for public information, in maximum 30 days.

3. Transparency in relation to own Personnel

- 3.1. The Management promotes an Organisational environment where stated values, principles and ethical standards are constantly communicated to Personnel in order to be known and respected.
- 3.2. The Organisation keeps open all channels of communication, both from management to Personnel and from Personnel to management; communication is based on trust and mutual respect within Personnel at all hierarchical levels of the Organisation.

4. Transparency in relation to shareholders

- 4.1. The Organisation is considering to communicate with both its shareholders and its other stakeholders' categories in order to reconcile their interests, providing attention in particular to clients, small investors and communities in which it operates, to ensure sustainable development of the Group.

5. Transparency in relation to authorities

- 5.1. The Organisation develops, throughout its Personnel, long term collaboration with local authorities and other institutions, based on principles of fairness and transparency, without compromising independence and economic objectives of the Organisation and in respect to the principles and values stated in the Code of Ethics and Professional Conduct.
- 5.2. The Organisation will react sympathetically with other organisations in its field in case of any unlawful obstructive action taken by the government or local authorities.

Electrica S.A.	Policy regarding transparency	Cod: ESC-P-4
	Ensuring transparency within the Electrica Group	Ed. 1, Act. 1
		Page: 7/9

6. Transparency in relation to business partners

- 6.1. The Organisation, through its Personnel, promotes open and honest competition, conducting contractual relation in a transparent, honest and legal way.
- 6.2. The Organisation uses clauses regarding integrity and transparency in all its trade relations with public and private entities.
- 6.3. The Personnel representing the Organisation in international bodies, conferences, seminars and other international activities shall promote a favourable image of the country, Group and Organisation in which they operate.
- 6.4. The Organisation assumes an objective attitude in relation to partners and clients' issues.

7. Transparency in relation to community

- 7.1. The Organisation, through its representatives, promotes an open and continuous dialogue with clients, local authorities, residents, NGOs and other stakeholders.
- 7.2. The Organisation is concerned with education, awareness, training and motivation of its Personnel aiming to create a sustainability oriented corporate culture.
- 7.3. The Organisation adopts common priorities in collaboration with trade unions and NGOs.
- 7.4. The Organisation's relation with the media is based on mutual respect of the roles and obligations of the parties, as well as the standards of commercial confidentiality.

## Rules of enforcement

To provide an accurate, overall image of its activities, the Organisation makes public the following:

8. Non-financial data:

- 8.1. Vision, mission and strategic objectives of the Organisation
- 8.2. The shareholding structure, special voting rights, shareholder's agreements, large packages of shares held, relations between the shareholders, the beneficial owners;
- 8.3. The names of Board of Directors members and executive management;
- 8.4. The qualification and experience of the Board members and executive management;
- 8.5. The declarations of interest of the Board members and executive management;
- 8.6. Information on the Nomination and Remuneration policies of the Organisation, with respect for the confidentiality of personal data.
- 8.7. Information on the Group structure, corporate governance, and policy commitments undertaken in the area of anti-corruption, money laundering prevention, whistleblowing and social responsibility;
- 8.8. The complete list of subsidiaries, controlled companies, affiliated companies and other entities within the Group;

<b>Electrica S.A.</b>	<b>Policy regarding transparency</b>	<b>Cod: ESC-P-4</b>
	<b>Ensuring transparency within the Electrica Group</b>	<b>Ed. 1, Act. 1</b>
		<b>Page: 8/9</b>

- 8.9. Information on Organisation's performance in environmental, social, and occupational health and safety;
- 8.10. Information on the implementation and results of Organisation's social and community development programs;
- 8.11. Information on predictable risk factors and risk management system;
- 8.12. Issues of interest to Personnel and other stakeholders who may be affected by the activity of the Organisation: policies related to implementing the Code of Ethics and Professional Conduct, human resources policies, including the recruitment and assessment of Personnel, training, Personnel retention rate, and negotiation and collective representation mechanisms.
- 8.13. Annual and biannual reports on the Organisation and its administrators' activity.

#### 9. Financial Data:

- 9.1. The trimestral and annual individual financial statements;
- 9.2. The trimestral and annual financial statements of the Group;
- 9.3. Audited individual and at the Group's level annual financial statements;
- 9.3.1. Name and the nature of activity carried out in each country/ region where the Organisation operates and other information for each entity in the Group;
- 9.3.2. Turnover;
- 9.3.3. The profit or loss before tax expense payment;
- 9.3.4. Tax on profit or loss;
- 9.3.5. Number of employees;
- 9.3.6. Public subsidies received (if applicable)
- 9.3.7. The transactions decided by majority shareholders which may affect the interests of minority shareholders.

All the general information stated above are published on the website of the Organisation [www.electrica.ro](http://www.electrica.ro).

#### Responsible persons

Requests for information of any kind received by the Organisation from mass-media representatives and others are forwarded to public relations department of the Organisation. The public relations department in collaboration with other departments within the Organisation, where appropriate, provides explicit, accurate, transparent and complete information.

Publishing/reporting aspects stated in the Transparency Policy will be carried out by several departments within the Organisation, on a case basis, and the information will be centralised by the public relations department and made public in coordination with the investor relations department (at Electrica SA's level), legal department and the ethics, sustainability and compliance department/officer.



Electrica S.A.	Policy regarding transparency	Cod: ESC-P-4
	Ensuring transparency within the Electrica Group	Ed. 1, Act. 1
		Page: 9/9

## Reporting of Non-compliance

Electrica adopts and implements a policy regarding Whistleblowing, based on principles outlined in the Code of Ethics and Professional Conduct. Any employee, customer, supplier, contractor and sub-contractor of the Organisation who is related to its operations, may lodge under conditions that ensure the confidentiality of his identity, notifications or complaints on any action of an employee or a person acting on behalf of the Organisation that would violate the law or internal rules on business ethics and conduct of the Organisation, including the provisions of this policy.

The notification of any breach from this policy may be submitted according to the whistleblowing procedure, at <http://www.electrica.ro/en/whistleblowing/> .