

To,
ELECTRICA SA

To the attention of: The Nomination and Remuneration Committee

Ref. The independence statement submitted to the General Shareholders Meeting of 28 April 2021

The undersigned **LOTREAN Adrian Florin**, domiciled in Bucharest, holder of ID series , no. , as candidate for the position of independent member of the Board of Directors of ELECTRICA SA, hereby enclose the following:

CLARIFICATION LETTER

By means of which **I would like to make some clarifications with respect to the mentions included within the Final List of Nominees for the position of Director of the Company**, as it was published on the company's website.

On the list of nominees for the position of director of ELECTRICA SA, the undersigned is mentioned under position no. 12, and the field reserved for Observations of the Nomination and Remuneration Committee reads *"Verifying the information within the CV it results that Mr. Lotrean was in the last year employee of a company (namely CITR) that has business relation with a company within Electrica Group (namely Servicii Energetice Oltenia), being in bankruptcy procedures."*

I have held the position of minority shareholder of the insolvency practitioners company CITR SPRL, holding 5% of the total shares of this company, without being coordinating shareholder of this company. I was a shareholder of it until 30 December 2020, when I signed an agreement which ended this quality. Starting with this date I chose to practice my profession as an insolvency practitioner within my Individual Practice- Lotrean Adrian Florin Insolvency Practitioner.

I would like to draw your attention to the fact that, the company in question is not a company as per the law no. 31/1990 (Company Law), republished with further amendments and supplementations and does not carry out any type of commercial activity. CITR SPRL is a private limited company whose main object of activity is exercising the insolvency practitioner profession as per the provisions of the Law no. 85/2014 on preventing insolvency and insolvency proceedings, with further amendments and supplementations and of the Ordinance no. 86/2006 regarding the activity of insolvency practitioners.

The company I was a shareholder of, CITR SPRL does not directly hold the quality of judicial liquidator of Societatea Energetica Oltenia SA – a company undergoing bankruptcy, this quality being held by CITR Filiala Argeş SPRL which was granted this quality by means of Resolution no. 524 of 28 October 2019, uttered by Dolj Court of Law within case file no. 2570/63/2014/a19.

Considering the provisions of art. 138² para. (2), letter. e) of Law no. 31/1990 republished, according to which the independent director “*must not engage and must not have engaged during the past year in business relations with the company or with a company it controls, neither personally, nor as a shareholder, director, manager or employee of a company which is engaged in such relations with the company in question, if, considering their significant character they can affect his/ her objectiveness*”, I believe that I am independent towards ELECTRICA SA considering the following:

- (i) **I have not had any direct or indirect business engagement with ELECTRICA SA or any company controlled by it.** A business relationship consists of in essence carrying out an activity with the purpose of making a profit. Neither the undersigned nor the company whose minority shareholder I was had any business relations with ELECTRICA SA or the companies under its control. CITER Filiala Argeş SPRL, a company whose sole shareholder is CITER SPRL did not engage in any business relation with the company Servicii Energetice Oltenia SA which is undergoing bankruptcy; however, it exercised the quality of judicial liquidator of this company. **The judicial liquidator represents** according to the provisions of art. 40 of Law no. 85/2014 **one of the legal bodies to ensure applying the bankruptcy procedure, carrying out its activity under the supervision of a syndic judge.** Unlike commercial activities, whose purpose is making profit, the purpose of the procedures regulated by the provisions of Law no. 85/2014 is “*applying a collective procedure to cover the liabilities of the debtor, with granting, when possible, the chance of its recovery*”; thus, the means of the judicial liquidator’s exercising its activity is strictly regulated by law so as to ensure covering as much as possible the liabilities of the debtor and not maximizing the profits of the judicial liquidator. As emphasized by specialized literature ¹ **insolvency practitioners „... being a procedural body (together with the syndic judge and the courts of law), have a different statute than that of the other participants in the procedure, being in fact, a body of authorised agents of justice”** and they **DO NOT** represent legal persons that carry out commercial activities and engage in business relations;
- (ii) **The company Servicii Energetice Oltenia SA, undergoing the bankruptcy procedure does not engage in commercial activities which can be categorised as “business relations”.** As per the provisions of art. 85 para. 7 of Law no. 85/2014, “starting with the date of starting the bankruptcy procedure *the debtors can only carry out the activities which are necessary for the liquidation operations*”; consequently, it can no longer engage in business relations, but only specific and necessary operations in order to liquidate its assets and cover the liabilities as per the applicable legal provisions. In practice, as of the date of the dissolution of a company its capacity of use is limited exclusively to the operations meant to liquidate its assets, thus it cannot acquire any rights or obligations than those which are related to liquidating its assets and thus cannot engage in business relations;

¹“the legal regime of the insolvency practitioner fee” published Csaba Bela Nasz in the Phoenix magazine no. 2/2018

- (iii) **I have not held the shareholder or employee quality of CITER Filiala Argeş SPRL**, the entity which acts in its quality as judicial liquidator of the company Servicii Energetice Oltenia SA, I have not had any specific responsibility within the bankruptcy procedure within the bankruptcy case of that company.
- (iv) **The minority shareholder quality held within CITER SPRL until 30 December 2020, cannot affect my objectivity.** The legal provisions do not include a general exception as regards the incompatibility of people who engage in business relations. On the contrary, these provisions expressly differentiate a certain group of people to whom this prohibition applies, by inserting certain conditions, namely: *“not to have ... engaged in business relations during the past year ... if, by their significant character, they can affect his/ her objectivity”* ; thus, for the applicability of this legal text **it is necessary not only to meet an objective condition (the existence of a business relation) but also to fulfil a subjective condition, that this business relation should be significant in affecting the objectivity of the person in question. In my case, no such subjective condition is met**, although, due to its subjectiveness, in order to retain such a condition, solid grounds should exist, provided by the decision-maker, which should lead to the incompatibility conclusion. The fact that the legal text includes such a subjective condition, brings upon the decision -maker the obligation to expressly motivate the retention of such a case. To this end, the significant character of the business relation in affecting the objectivity of the person in question should be substantiated, also including the reasons why these relations are deemed as significant. The fact that the legal text mentions, within the analysis only the significant character of the business relation should also be noted. **Significant refers to something essential, important, of great significance, as opposed to its antonym allowed by the legal text, namely insignificant, unimportant, superficial.** Starting from the above, I deem that the objectivity of the undersigned is not affected by the fact that during 2020 I was a minority shareholder, holding 5% of the share capital of CITER SPRL. As pointed above, the fact that CITER Filiala Argeş SPRL exercised a judicial mandate following a resolution of the court designating it for this quality in relation to a company indirectly controlled by ELECTRICA SA cannot affect my objectivity and independence. **Exercising a certain profession under the supervision of a syndic judge and by applying procedures which are regulated by the law is in its essence an endeavour which requires objectivity and independence, not being an activity which could affect my objectivity.** The fact that I held a minority interest of de 5% in CITER SPRL, not being a coordinating shareholder of this company, not representing this company within the insolvency procedure of the company Servicii Energetice Oltenia SA, not being involved in any procedural act as regards this company, and, as at the moment of submitting my candidacy for the director position I hold no quality within this company and I have no professional relations or any other type of relations with this professional company I can afford to hold an impartial and objective position towards any topic that might be submitted on the agenda of the Board of Directors.

Considering the above, **I deem that the undersigned meets of the conditions included under art. 138² of the Law no. 31/1990 republished and those included in the Articles of Association of ELECTRICA SA as regards independence and objectivity.**

With utmost respect,

**Bucharest,
25.04.2021**

Lotrean Adrian Florin

A handwritten signature in black ink, appearing to read 'Lotrean Adrian Florin', with a long horizontal line extending to the right.