

Subject to analysis and endorsement in the BoA meeting dated _____ and approval in the O.G.M.S. meeting dated _____

REPORT
on professional liability insurance in aggregate
of the administrators

Please note that the current policy of professional liability of administrators and the Director General, concluded with Generali Asigurari Reasigurari SA, in accordance with Art. 6 letter b) of the OGMS resolution no. 2/26.04.2018, is valid until 01.08.2019.

Given that, according to art. 39 para. (2) of EGO no. 101/2011, for Directors with mandate contract the payment of professional liability insurance may be provided by the Company, this provision was included both in the mandate contract of the Director General and in the mandate of the Economic Director and Deputy Director General, appointed by the Board of Administrators due to the unrolling of the recruitment and selection procedure of Directors, for which they were also included in the insurance policy with the insurer Generali Asigurari Reasigurari SA.

According to art. 18 of the mandate contract concluded with the administrators, approved by OGMS Resolution no. 5/22.08.11.2018.

***Art.18** The administrator will receive an insurance policy type "directors & officers' liability". The Company shall bear and pay the cost of the insurance premiums.*

The maximum limit of the annual insurance premium approved by the OGMS by art. 3 letter b) of Resolution no. 2/26.04.2018 for the Company's administrators and the Director General, which has been maintained throughout the contract administration/mandate since 2014, is amounting to 18,000 Euro/year of insurance, insured for an amount of 12 million Euro, in aggregate, for professional liability insurance of the administrators of the Company (counting 7) and the Director General.

The contract S-CA-CD-384/31.07.2018 has been signed for a period of one year with Generali Romania Asigurare Reasigurare SA through direct purchase (estimated below 30,000 Euro according to Internal Procedural Rules, Rev.1), the value of the contract being 14,500 Euro, VAT excluded.

Following negotiations, the insurer has accepted the inclusion of the Economic Director and Deputy Director General in the current insurance policy liability of the administrators and the Director General, without charging additional premium for these changes, in this respect concluding this addendum.

In the professional liability insurance it is necessary to further provide that, in case of appointment/designation of persons other than those who now hold the position of administrator, will proceed to change the names of people mentioned in the insurance policy in accordance with the decisions of the OGMS./ The BOA Resolution, the limit of liability and the amount of annual insurance premium will remain unchanged, with the classification of amounts that are negotiated and settled with the insurer in accordance with the OGMS Resolution.

In the contract of mandate of the administrators, art. 7.27 there is the following provision:

7.27 to approve the level of professional liability insurance for the director general and other directors appointed with mandate, if applicable, under the law;

In this context, a professional liability insurance in aggregate for the Company's administrators will be concluded (7 persons) and, separately, a policy in aggregate for directors with contract of mandate (3 persons).

Given the considerations above, the proposal to fix the maximum limit of annual insurance premium concluded by the company shall be subject to the approval of the BOA and of the OGMS, amounting to 15,000 Euro/ insurance year, corresponding to a minimum amount insured of 12 million Euro in aggregate for the professional liability insurance of the administrators of the Company; the limit will remain unchanged for the entire period of their mandate. The executive management will make all necessary arrangements and will conduct annually procurement procedures according to the law and applicable norms, so that directors be continuously insured for professional liability, as required by the contract, respectively on the entire duration of their mandate.

For 2019 the amount of payment of the insurance premium is found in the Income and Expenditure Budget. 2019, position II.1. A2.c)).

Director General
PhD. Eng. Timur— Vasile Chis

Deputy Director General
Advisor Anamaria Dumitrache

Head of BOA and GMS Secretariat Bureau
Eng. Adina Morodan

Head of Legal Service
Legal advisor Cornel Banica