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### **FONDUL PROPRIETATEA: HIDROELECTRICA NEEDS A BOARD APPOINTED ON A FOUR-YEAR MANDATE**

Bucharest - Following the proposals made by the Ministry of Energy on 31 March 2017 to set up another interim Board for a period of four months at Hidroelectrica, Greg Konieczny, Fondul Proprietatea CEO and Portfolio Manager, states:

- “We are disappointed that the Ministry of Energy chose to propose yet another interim Board at Hidroelectrica. What Hidroelectrica needs, as the most valuable Romanian company, is stability and predictability, as well as top professionals on its Board. The current proposal does not observe the corporate governance provisions of Law 111/2016, which establishes professional criteria and transparent procedures for the selection of members of the Supervisory Board in state-owned companies.
- We believe that another interim Board instead of a longer-term Board appointed according to Law 111/2016 will only prolong the instability and unpredictability for the company for another four months, thus putting the company at greater risk. A huge success story risks being jeopardized by short term visions.
- Additionally, maintaining the interim state of affairs at Hidroelectrica may severely hinder and delay its IPO. This is likely to result in diminishing the company’s value during listing and making investors less confident to invest in it and ultimately hurting its current shareholders – the Romanian State and Fondul Proprietatea. The Romanian citizen/ tax payer might be also consequently prejudiced.
- It is also our interpretation of the corporate governance provisions that if the Ministry of Energy is not ready just yet to appoint a Board for a four-year mandate the only other legal option was to extend the current Board’s mandate by another two months, this Board being already familiar with Hidroelectrica’s operations. We would like to reiterate that the 84 candidates that participated in the previous selection process could provide six strong candidates on a four-year mandate for the Board of Hidroelectrica.”

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