

Joint Decision of the National Energy Regulators on the notification of replacement of ICGB AD Supervisory Board member upon resignation.

Taking into account:

- Directive 2009/73/EC of the European Parliament and of the European Council of 13 July 2009 on the general rules for the natural gas domestic market and abolishment of Directive 2003/55/EC (Directive 2009/73/EC);
- Decision C(2018)5058 final/25.07.2018 of the European Commission on the exemption of the gas Interconnector Greece-Bulgaria from the requirements for providing access to third parties, regulated tariffs and rules for unbundling of ownership;
- The Final Joint Decision of the National Regulatory Authorities (NRAs) of the Republic of Greece and the Republic of Bulgaria, RAE - currently renamed as Regulatory Authority for Energy, Waste and Water (RAEWW) - and EWRC, respectively, regarding the ICGB AD application for exemption;
- The application for certification by ICGB AD, submitted to the National Regulatory Authorities of the Republic of Bulgaria, namely the Energy and Water Regulatory Commission (EWRC) and of the Republic of Greece, namely the Regulatory Authority for Energy (RAE), as subsequently duly supplemented and supported by required evidence and data (hereinafter referred to cumulatively and as a whole under the term “application for certification”).
- The Opinion of the European Commission (ref. C(2022) 4656 final) of 28.06.2022 pursuant to Article 3 of Regulation (EC) No. 715/2009 and Article 10 (6) of Directive 2009/73/EC “Greece and Bulgaria – ICGB AD Certification as a Gas Transmission System Operator” and
- The Final Joint Decision on the certification of ICGB AD as an Independent Transmission Operator, adopted by the National Energy Regulatory Authorities of the Republic of Bulgaria and the Republic of Greece, an integral part of Decision No. CH-1 of July 1, 2022 of EWRC and adopted by RAE (now RAEWW) with Decision 593 of June 30, 2022
- A letter by ICGB AD under ref No. IX-01 dated 05/09/2023, filed with RAEWW under prot. No. I-357148 of 06/09/2023 and EWRC under ref. No O-15-59-21 of 07.09.2023, on the dismissal of a member of the Supervisory Board and the appointment of a member of the Supervisory Board.

I. Introduction:

ICGB AD (ICGB) has been granted an exemption, as an Independent Transmission Operator (ITO) of a natural gas transmission network, from the requirements for providing access to third parties, regulated tariffs and rules for unbundling of ownership via the Decision C(2018)5058 final/25.07.2018 of the European Commission and the subsequent Final Joint Decision of the National Regulatory Authorities (NRAs) of the Republic of Greece and the Republic of Bulgaria. In sequence and following submission by ICGB of the relevant application for certification, the national regulatory authorities of the Republic of Bulgaria and of the Republic of Greece, adopted a Final Joint Decision on the certification of ICGB AD as an Independent Transmission Operator (Final Joint Decision) taking utmost account of the comments of the European Commission (Opinion of the European Commission ref. C-2022 4656 final of 28.06.2022).

In their Final Joint Decision on the certification of ICGB AD as an Independent Transmission Operator, the NRAs assessed and confirmed the compliance of the ICGB with the conditions set out in Section 4.1 of the Final Joint Decision, regarding the ICGB AD application for exemption and concluded that ICGB meets the relevant requirements for an ITO pursuant to Directive 2009/73/EC. The NRAs assessed, inter alia, the independence requirements of Article 20, paragraphs 2 and 3 in conjunction with Article 19, paragraphs 2 to 7, of Directive 2009/73/EC, regarding the members of the Supervisory Board and accepted that the Supervisory Board is properly and legally formed by the persons notified by ICGB as nominees, having established that half minus one of the members of the Supervisory Board are persons who within three years prior to their appointment had not held a professional or accountable position, had no interests or business

relations, directly or indirectly, with the VIU or with any part of other than the gas transmission system operator or its shareholders, holding a controlling interest as per the relevant above mentioned requirements.

Therefore, on the basis of the respective data and evidence produced by the ITO, as approved and not objected to by the NRAs, the following persons appear as members of the ICGB Supervisory Board in the NRAs certification Joint Decision:

Angel Emilov Yankov;
Fabio Santambrogio;
Momchil Vekilov Vanov;
Georgios Polychronious;
Veselin Mirchev Petrov;
Panayotis Rhizos.

The requirements for independence under Article 20 in connection with Article 19 of Directive 2009/73/EC, as already displayed above, were sanctioned as satisfied by the two nominees : Vesselin Mirchev Petrov and Panayotis Rizos, representing half minus one of the members of the Supervisory Board.

Now, by a letter under ref No. IX-01 dated 05/09/2023, filed with RAEWW under prot. No. I-357148 of 06/09/2023 and EWRC under ref. No O-15-59-21 of 07.09.2023, along with the respective supporting documents and data, ICGB AD notified the NRAs on the dismissal of a member of the Supervisory Board and the appointment of a member of the Supervisory Board. As per the referred letter and the relative escorting documents, Mr. Fabio Santambrogio, submitted, on unilateral initiative, a Resignation Letter with the request to be dismissed as a Member and Chairman of the Supervisory Board of ICGB. The resignation was adopted by the General Meeting of the Shareholders on 29.08.2023 and at the same meeting, a Decision was issued on the appointment of Mr. Matteo Restelli as a Member of the company Supervisory Board.

II. Consideration of the notification regarding the replacement of a member of the Supervisory Board.

As becomes apparent from the above presentation, the resigned Member of the Supervisory Board, Mr. Fabio Santambrogio, does not fall within the half minus one quota that was assessed by the NRAs for the fulfillment of the independence requirement under Article 20 in connection with Article 19 of Directive 2009/73/EC. In the same context, the appointment of Mr. Marco Restelli as a Member of ICGB Supervisory Board does not fall under the half minus one quota, which, as already indicated, is represented and fulfilled by Messrs. Vesselin Mirchev Petrov and Panayotis Rizos.

As regards, the rest members of the Supervisory Board, further to the specific wording followed in Article 20 para. 3 second sentence in conjunction with Article 19(2), second subparagraph, point (b), the decisions of the independent transmission operator regarding [the identity of, and the conditions governing the term, the duration and the termination of office of the persons nominated] for the administrative bodies concerned, are notified to the competent NRA(s) and in the case of those persons that do not participate in the half minus one quota, the respective ITO decisions are subject to doubts raised by the NRAs only regarding the justification of a premature termination. The referred NRAs' objections have to be communicated to the ITO up to three weeks from the date each national authority received the notification,

In view of the above the notified decisions of the ITO, since referring to persons outside the half minus one rule, are assessed by the NRAs only with regard to the justification of the premature termination of Mr. Santambrogio's office. Since this termination arises from the unilateral declaration of the said member on the request for his Resignation, there are no objections that may be raised by the NRAs regarding the Decision on his dismissal.

Furthermore, with respect to the appointment of Mr. Matteo Restelli as a Member of the

company Supervisory Board, in replacement of the as above resigned member, the two NRAs take notice of the CV and declaration on professionalism submitted for the said person, in the same line as to the respective documentation submitted and assessed for the rest members of the Supervisory Board at the Joint Certification Decision.

In the aforesaid context, the National Regulatory Authorities of the Republic of Greece and the Republic of Bulgaria - Regulatory Authority for Energy, Water and Waste (RAEWW) and the Energy and Water Regulatory Commission (EWRC) establish that the replacement of Mr Fabio Santambrogio by Mr. Matteo Restelli as Member of the Supervisory Board of ICGB AD, described above, does not raise doubts further to the regulations under Article 19 and Art. 20 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 on the general rules for the natural gas domestic market and on the abolishment of Directive 2003/55/EC, transposed into the Energy Act of the Republic of Bulgaria and the Greek Law on Energy and meets the requirements set for those members of the Company Supervisory Board, that do not represent the half minus one quota.