

[Romanian electricity producer Hidroelectrica](#) said that the court ruling invalidating the selection of its management in 2019 has no impact on the company's initial public offering (IPO) planned for the first part of this year.

On 6 March, the Court of Appeal rejected Hidroelectrica's appeal to a lower court's ruling issued in April 2022 in the case of the former Hidroelectrica CFO Petronel Chiriac, who challenged the legality of the selection procedures for the company's Board of Directors in 2019.

The ruling, furthermore not final, regards only the selection procedure and does not invalidate the mandates of the company's Board of Directors.

The statement from the company said that the mandate of the Board expires in June 2023 and a selection process is on course for appointing a Supervisory Board in charge of setting the selection procedures for a new Board.

However, the lawyer who represented the plaintiff in the process claims that the five Board Directors of Hidroelectrica no longer have any legal capacity. They can no longer sign documents and can no longer represent the company.

Practically, they no longer operate as members of the Hidroelectrica Board as of 1 March. The lawyer also argues that part of the Board members should have been rejected from the first stages of the selection procedures, as they failed to meet basic requirements such as speaking a foreign language, meeting seniority criteria, or not being in a conflict of interest with the company.

Last year, the Romanian Government approved the sale of 15 % of [FP's stake in Hidroelectrica](#), out of its 20 % stake, through the initial public offering which should take place on the Bucharest Stock Exchange by the end of June 2023. However, the state, which holds the remaining 80 % stake, is not willing to sell any of its shares.

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