



Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
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Information note
regarding the Shareholders' General Assembly's approval of the 'Remuneration policy for the members of the executive and non – executive management of the N.P.T. Co. Transelectrica updated on March 2024'

I. Overview:

The Shareholders' General Assembly has approved on April 27, 2023 on ordinary meeting 'the remuneration policy for the members of the executive and non –executive management *related to the 4 – months provisional mandates that can be extended for good reasons up to 6 months maximum, according to Note no.13588/22.03.2023*'.

Between April 27, 2023 and the date of the convening of annual ordinary general assembly of shareholders, foreseen by Law 31/1990, art.111, having on the agenda the approval of financial statements related to year 2023, changes with impact on the remuneration policy had occurred:

- (i) Amendments of the legal framework applicable to public enterprises, namely law 187/2023 and law 296/2023, legislative acts to amend the Emergency Ordinance 109/2011 on corporate governance of public enterprises, including regarding aspects on remuneration.
- (ii) The Shareholders' General Assembly Decision no. 1/28.02.2024 that appointed the members of the Supervisory Board for a four years mandate, approving the remuneration and the contract form.

In accordance with the legal provisions:

- ❖ art. 106. para. (1)-(7) of Law no. 24/2017 on issuers of financial instruments and market operations, namely:
 - ✓ (1) *the issuer establishes a remuneration policy regarding the managers on which the shareholders have the right to vote during the ordinary general assembly of shareholders.*
 - ✓ (2) *the issuers have **the obligation to submit to the approval of the shareholders' annual general assembly the remuneration policy according to art. 111 of Law no. 31/1990.***
 - ✓ (3) *the issuers shall pay a remuneration to their managers only in accordance with the remuneration policy that have been approved within the shareholders' general ordinary assembly.*
 - ✓ (4) *if an approved remuneration policy does not exist yet and the shareholders' general ordinary assembly does not approve the policy proposed and submitted on the agenda, the issuer can continue to pay the remuneration to its managers in accordance with the existing practice and shall present a reviewed policy in order to be approved within the*

next shareholders' general ordinary assembly held by the issuer, even if this is not the annual shareholders' general ordinary assembly.

- ✓ (5) *if there is an approved remuneration policy and the shareholders' general ordinary assembly does not approve the new policy proposed, the issuer can continue to pay the remuneration to its managers in accordance with the existing approved policy and shall present a reviewed policy in order to be approved within the next shareholders' general ordinary assembly.*
 - ✓ (6) *the issuers can under exceptional circumstances temporarily change the remuneration policy, provided that this policy includes procedural clauses under which the derogation can be applied and specifies which elements of the policy can be derogated from. These exceptional circumstances only refers to the situations when the derogation from the remuneration policy is necessary in order to serve entirely the long time interests and sustainability of the issuers or to ensure its viability.*
 - ✓ (7) ***the issuers submit the remuneration policy to vote within the shareholders' general ordinary assembly every time a significant change occur, and in any case, at least once every 4 years.***
- ❖ art. 39 para. (3) of G.E.O. 109/2011 *on the corporate governance of public enterprises, 'policy and criteria of remuneration for managers and administrators, within the single system case, namely for supervisory board members and directorate members, within the two-tier system case, as well as the remuneration level and the other advantages offered to each manager and director are made public on the internet page of the public enterprise, through the care of the president of the board of directors or the supervisory board'.*
 - ❖ point C.1 of Section C within the Governance Code of the Bucharest Stock Exchange, *'the company must publish on its internet page, the remuneration policy and must include in its annual report a declaration on the implementation of the remuneration policy within the annual period that is subject to analysis. Any significant change within the remuneration policy must be made public in due time on the internet page of the company.'*

We bring to your attention the proposal ***'The remuneration policy for the members of the executive and non – executive management of the NPT Co. Transelectrica'*** updated on ***March 2024'*** including the remuneration report .

This document updates the remuneration and the other advantages given to the members of the Supervisory Board in accordance with Shareholders' General Assembly Decision no. 1/28.02.2024 and it mentions details regarding the remuneration of provisional members of Directorate and other rights and advantages given to those by the Company. The current remuneration policy keeps the rights and advantages given to the members of the Directorate through SGOAD no. 5/27.04.2023, a revision shall be made after ending the selection process of Directorate members.

Since at the date of this note the performance indicators have not been yet approved under the conditions of Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises, with later amendments and additions*, and the mandates of Directorate members are provisional, we estimate that a new revision of the remuneration policy will occur before the end of the year 2024.

II. Proposals:

Towards those presented, under art. 14 letter. j from the updated Articles of Association, in conjunction with art.106 para. (2) of Law no. 24/2017 on issuers of financial instruments and market operations, we submit '***The remuneration policy for the members of the executive and non – executive management of the NPT Co. Transelectrica***' updated on March 2024' to the approval of the Shareholders' General Ordinary Assembly, including the remuneration report.

Members of the Supervisory Board

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