



Transelectrica®

Societate Administrată în Sistem Dualist

REMUNERATION POLICY of the members of the executive and non-executive management of the National Power Grid Company "Transelectrica" S.A., revised as of March 2024

Nomination and Remuneration Committee under the Supervisory Board

Members:



Alexandru-Cristian VASILESCU - Chairman

Rareș Stelian RUSU

Luminița ZEZEANU

Dumitru-Virgil ORLANDEA

Cătălin-Andrei DASCĂL



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Company Mission:

- ensuring the operation of the National Electricity System in conditions of maximum safety and stability, meeting quality standards while ensuring access to the transmission grids to any applicant that meets the requirements of the law

The company is listed on the Bucharest Stock Exchange, in the Premium category, symbol TEL. Thus, NPG CO. "Transelectrica" S.A., as a listed company, has undertaken to comply with legislation and standards of transparency and good corporate governance practices in order to build a relationship based on respect and long-term trust with its shareholders and potential investors.

NPG CO. "Transelectrica" S.A. is a Romanian legal entity, incorporated as a joint stock company, publicly owned and operates in accordance with applicable Romanian law, the provisions of its own Articles of Association and internal regulations. The company is managed under a two-tier system, which implies a Directorate and a Supervisory Board.

Legal framework on remuneration policy:

- Law 24/2017 regarding the issuers of financial instruments and market operations, republished, as amended and supplemented;
- Law 31/1990 regarding companies, as amended and supplemented;
- GEO 109/2011 regarding corporate governance of public companies, as amended and supplemented;
- The updated Articles of Association of NPG CO. "Transelectrica" S.A., in force as of 30.03.2023, pursuant to EGMSR no. 1/26.01.2023;
- Corporate Governance Code of the Bucharest Stock Exchange



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With regard to the terms of office of the members of the Supervisory Board, prior to the approval of the performance indicators, and the provisional terms of office of the members of the Directorate, the remuneration policy is drawn up in accordance with the requirements of the relevant legislation, and the decisions of the General Meeting of Shareholders, in a uniform manner. The remuneration policy outlines the generally applicable framework and describes the responsibilities of the decision-makers in setting and approving remuneration and other benefits.

Duties and powers

Ordinary General Meeting of Shareholders

- sets the general remuneration limits for members of the Directorate;
- sets the remuneration of the members of the Supervisory Board for the current financial year;
- elects and revokes members of the Supervisory Board;
- decides on the management of the members of the Directorate and the members of the Supervisory Board, assesses their work and discharges them from liability, in accordance with the law;
- approves the form of the mandate contract concluded between NPG CO "Transelectrica" S.A. and the members of the Supervisory Board and the general limits of the remuneration and other benefits granted to the members of the Directorate;
- reviews the Report of the Nomination and Remuneration Committee of the TEL Supervisory Board for the last financial year.

The Nomination and Remuneration Committee of the Supervisory Board

- makes proposals for the position of Supervisory Board member and Directorate member;
- prepares and makes proposals to the Supervisory Board regarding the selection procedure for members of the Company's Directorate and for other management positions;
- makes proposals on the remuneration of the members of the Company's Directorate and other management positions, within the general limits approved by the Ordinary General Meeting of Shareholders;
- annually prepares and presents to the annual GMS the Nomination and Remuneration Committee's report regarding the remuneration and other benefits granted to the Supervisory Board, the Directorate, prepared in accordance with Article 55 para. (3) of GEO no. 109/2011 on corporate governance of public companies, as subsequently amended and supplemented (Remuneration Report, pursuant to art. 107 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, republished, as subsequently amended and supplemented).

Supervisory Board

- appoints and revokes the members of the Directorate and sets their remuneration;



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Remuneration of Supervisory Board members

Legal and contractual framework regarding the remuneration of the members of the Supervisory Board of NPG CO. "Transelectrica" S.A.

According to the general legal framework, under Art.111 para. c) of the Companies Act no.31/1990, republished, as subsequently amended and supplemented, the power to determine the remuneration of the members of the Supervisory Board belongs to the General Meeting of Shareholders ("GMS"). The company is a public undertaking in accordance with Art.2 point 2 letter b) of the Emergency Ordinance no. 109/2011 on corporate governance of public undertakings, as subsequently amended and supplemented. GEO 109/2011 regulates specific conditions regarding the remuneration of members of the Supervisory Board of a public undertaking.

According to the legal provisions in March 2024, the maximum limit of the fixed remuneration can reach up to "6 times the average of the last 12 months of the average gross monthly earnings".

The members of the Supervisory Board have a fixed gross monthly remuneration, according to the form of the term of office contract approved by the Resolution of the Ordinary General Meeting of Shareholders no. 1/28 February 2024, in the amount of 28,223 lei.

Other benefits granted to members of the Supervisory Board

Other benefits:

✓The Administrator is entitled to be reimbursed for expenses related to the execution of the mandate, based on supporting documents, but not limited to: accommodation expenses, per diem, transport, participation fees for training courses, seminars and any other type of expenses related to the execution of the mandate and regardless of whether they were incurred in connection with travel in the country or abroad. (All these expenses will be reimbursed up to the limits established at the company level). The Company will reimburse the Administrator for the above costs once a month on the tenth day of the month for the previous month. Accommodation costs will be settled for a number of days equal to the number of days of the respective meeting.



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Remuneration of provisional members of the Directorate

Legal and contractual framework regarding the remuneration of the provisional members of the Directorate of NPG CO. "Transelectrica" S.A.

According to the general legal framework, according to Article 153¹⁸ paragraph (2) of the Company Act no.31/1990, republished, as subsequently amended and supplemented, the power to determine the remuneration of the members of the Directorate belongs to the Supervisory Board. GEO No 109/2011 regulates specific conditions regarding the remuneration of the members of the directorate of a public undertaking.

The provisional members of the Directorate have a fixed gross monthly remuneration, according to the form of the mandate contract approved by the Supervisory Board, in the amount of **55,050 lei**.

According to the relevant legislation, during the execution of provisional terms of office, members of the Directorate do not benefit from a variable component of remuneration.



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Other rights and benefits granted to provisional members of the Directorate

- ✓ the right to be reimbursed for expenses incurred in the Company's interest, based on supporting documents, in accordance with the law and the Company's internal rules;
- ✓ compliant working conditions and access to the facilities necessary for the performance of the activity (e.g. appropriately equipped office, conference room, office mobile phone, laptop/tablet, vehicle, etc.), depending on the needs related to the day-to-day activities of the Directorate. The member of the Directorate shall have the obligation to use the equipment/vehicle mainly for the performance of the duties and other obligations provided for in the term of office contract. The equipment/vehicle shall be handed over to the Company based on minutes upon termination of the term of office, but not later than five business days after termination of this Contract, regardless the reason;
- ✓ in the event that they do not reside in Bucharest/within a radius of 60 km from Bucharest, the Member of the Directorate is entitled to settle the amount of the monthly rent within the limit of the equivalent in lei of a net amount of up to 780 euro/month;
- ✓ to settle the cost of transport (road, air, rail) from the residence indicated in the identity card to the Company's headquarters and back, up to a net amount of 2,000 lei/month.

The current Remuneration Policy maintains the rights and benefits granted to the members of the Directorate by the EGMSR No. 5/27.04.2023, and will be revised after the selection procedure for the members of the Directorate has been completed.

After the vote on the revised remuneration policy in March 2024 at the Annual Ordinary General Meeting of Shareholders provided for in Article 111 of Law no. 31/1990, the remuneration policy, together with the date and results of the vote, will be published without delay on Transelectrica's website and will remain available to the public, free of charge, for at least as long as applicable.

Annually, in accordance with Article 107 of Law 24/2017 regarding issuers of financial instruments and market operations, as amended and supplemented, the Company shall prepare a clear and easy-to-understand remuneration report that provides a comprehensive overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, individually to managers, including newly recruited and former managers in accordance with the remuneration policy.



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Contact

**Document prepared by the Supervisory Board of CNTEE "Transelectrica" S.A.,
by courtesy of the Nomination and Remuneration Committee**

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