



**Transelectrica®**  
Societate Administrată în Sistem Dualist

**Compania Națională de Transport al Energiei Electrice**  
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## **Supervisory Board – Nomination and Remuneration Committee**

No. \_\_\_\_\_ / \_\_.03.2021

**To: Shareholders' General Assembly**

### **REPORT**

**of the Nomination and Remuneration Committee from the Supervisory Board  
of National Power Grid Company Transelectrica SA („Company”) regarding the  
remunerations of Supervisory Board's and Directorate's members in the financial year  
2020**

### **Section A – SUPERVISORY BOARD**

#### **1. Legal framework regarding the remuneration policy and criteria for non-executive administrators - the Supervisory Board**

In accordance with the general legal framework as per article 111 para. (2) lett. c) of Company Law 31/1990, republished, with later amendments and additions, the competence to set the remuneration of Supervisory Board members belongs to the Shareholders' general assembly („AGA”).

The Company is a public enterprise in accordance with article 2 item 2 lett. b) of Emergency Ordinance 109/2011 regarding the corporate governance of public enterprises, with later amendments and additions (GEO 109/2011). GEO 109/2011 regulates the specific conditions for the remuneration of members in the supervisory board of a public enterprise.

In 2020, the following changes occurred in the Supervisory Board's membership:

➤ by AGA Decisions no. 24-30/26.11.2019, the following provisional Supervisory Board members were appointed for a 4-month mandate: Luiza POPESCU, Sebastian BURDUJA, Jean BADEA, Jean Valentin COMĂNESCU, Oleg BURLACU, Adrian GOICEA and Manuela Petonela STAN OLTEANU. Their mandate started on November 30, 2019. Mrs. Manuela Petonela STAN OLTEANU did not accept the mandate.

➤ by Supervisory Board Decision no. 1/06.01.2020, in accordance with the provisions of art. 153<sup>^</sup>7 para. (1) of Company Law no. 31/1990, republished, with later amendments and additions and of art. 18 para. (6) of the Articles of Association, Ciprian Constantin DUMITRU was appointed as a provisional Supervisory Board member. Mr. Ciprian Constantin DUMITRU filled the vacant position following the non-acceptance of the mandate by Mrs. Manuela Petonela STAN OLTEANU.

➤ by Supervisory Board Decision no. 18/07.02.2020, in accordance with the provisions of art. 153<sup>^</sup>7 para. (1) of Companz Law no. 31/1990, republished, with later amendments and additions and of art. 18 para. (6) of the Articles of Association, Mihaela CONSTANTINOVICI was appointed as a provisional Supervisory Board member. Mrs. Mihaela CONSTANTINOVICI filled the vacant position following the resignation of Mr. Sebastian BURDUJA on 17.12.2019.

➤ by Supervisory Board Decision no. 19/11.02.2020, in accordance with the provisions of art. 153<sup>^</sup>7 para. (1) of Companz Law no. 31/1990, republished, with later amendments and additions and of art. 18 para. (6) of the Articles of Association, Mircea Cristian STAICU was appointed as a provisional Supervisory Board member. Mr. Mircea Cristian STAICU filled the vacant position following the resignation of Mr. Jean BADEA on 03.02.2020.

➤ by AGA Decision no. 1/06.03.2020, the following provisional Supervisory Board members were appointed starting with March 6, 2020 and until March 29, 2020: Ciprian Constantin DUMITRU, Mihaela CONSTANTINOVICI and Mircea Cristian STAICU.

➤ by AGA Decision no. 4/26.03.2020, the mandate of the following provisional Supervisory Board members was extended by 2 months, namely until May 29, 2020: Luiza POPESCU, Jean Valentin COMĂNESCU, Oleg BURLACU, Adrian GOICEA, Ciprian Constantin DUMITRU, Mihaela CONSTANTINOVICI and Mircea Cristian STAICU.

➤ by AGA Decision no. 6/28.05.2020, the following provisional Supervisory Board members were appointed for a 4-month mandate: Luiza POPESCU, Jean Valentin COMĂNESCU, Oleg BURLACU, Adrian GOICEA, Ciprian Constantin DUMITRU, Mihaela CONSTANTINOVICI and Mircea Cristian STAICU.

➤ by AGA Decision no. 9/26.09.2020 the following Supervisory Board members were appointed for a 4-year mandate: Luiza POPESCU, Jean Valentin COMĂNESCU, Oleg BURLACU, Adrian GOICEA, Ciprian Constantin DUMITRU, Mihaela POPESCU (former CONSTANTINOVICI) and Mircea Cristian STAICU. Their mandate began on 30 September 2020.

## **2. Contractual framework for the remuneration of non-executive administrators - the Supervisory Board.**

By AGA Decision no. 31/26.11.2019, the Supervisory Board members' remuneration was established as being calculated according to art. 8 of GEO no. 109/2011, with later amendments and additions, namely 13,976 lei gross/month.

By AGA Decision no. 11/21.12.2020 the following were approved:

- the financial and non-financial performance indicators resulting from the administration plan, as proposed by the Romanian State shareholder represented by the General Secretariat of the Government;
- the Supervisory Board members' fixed gross monthly indemnification in the amount of 15,532 lei;
- the variable component in the Supervisory Board members' remuneration, as proposed by the Romanian State shareholder represented by the General Secretariat of the Government.

The mechanism granting the fixed gross monthly indemnification is as follows:

- The Supervisory Board chairman and SB members being active in at least 2 consultative committees of the board benefit of maximum fixed monthly indemnification;

- Supervisory Board members being active in a consultative committee of the board benefit of fixed monthly indemnification representing 90% of the maximum fixed monthly indemnification;
- Supervisory Board members who are not active in the consultative committees of the board benefit of fixed monthly indemnification representing 85% of the maximum fixed monthly indemnification.

In accordance with the applicable legal and contractual provisions, the amounts for the fixed remuneration owed to Supervisory board members calculated in 2020 are provided in the following table (sums provided in net monthly amounts).

Nr. crt.	Nume și prenume	IAN 2020	FEB 2020	MAR 2020	APR 2020	MAI 2020	IUN 2020	IUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL 2020
1	Burlacu Oleg	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	98.459
2	Comanescu Jean Valentin	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	98.459
3	Goicea Adrian	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	98.459
4	Badea Jean	8.176	845	0	0	0	0	0	0	0	0	0	0	9.021
5	Popescu Luiza	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	98.459
6	Dumitru Ciprian Constantin	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	98.459
7	Popescu Mihaela	0	6.484	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	88.591
8	Staicu Mircea Cristian	0	5.357	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.176	8.523	87.464
	<b>TOTAL</b>	<b>49.056</b>	<b>53.566</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>57.232</b>	<b>59.661</b>	<b>677.371</b>

In addition to the fixed indemnification, the Supervisory Board members have the right to benefit of variable annual component in their remuneration, amounting to 12 fixed monthly indemnifications, for fulfilling at least 70% of the criteria and performance objectives.

The mechanism for granting the variable annual component in their remuneration is as follows:

- in the case of a Supervisory Board member whose mandate ceases prematurely (regardless of the cause), for the period between the beginning of the calendar year in question and the mandate's termination date, the variable annual remuneration component corresponding to the performance indicators of The administration plan will be granted in installments, proportionally to the number of days in the year in question when the mandate contract under which it is granted was in force.

- as the Supervisory Board member was appointed on 30 September 2020, for the period between the appointment date and the end of the calendar year in question, the variable annual remuneration component corresponding to the performance indicators of the Administration Plan will be granted in installments, proportionally to the number of days in the year in question when the mandate contract under which it is granted was in force.

- the variable annual component's payment will be made within 15 days from the AGA approval date of the audited stand-alone annual financial statements. The performance indicators, objectives and criteria set out in the Administration Plan may be revised and amended accordingly in cases of force majeure or in the event of significant changes in the legislative framework or decisions by regulatory authorities, such as, but not limited to, ANRE.

3. Also, during 2020, the **applications for OAVT capitalisation (Options per Virtual Shares of Transelectrica)** were honored in accordance with the enforceable decisions of the courts, as follows:

No.	First name and surname	OAVT according to court enforceable decision	Interest and inflation update	TOTAL 2020
1	Bugică Radu	2,175,209	760,460	2,935,669
2	Neagu Carmen Georgeta	2,819,474	1,480,680	4,300,154
3	Chimirel Cătălin Lucian	711,871	0	711,871
	<b>TOTAL</b>	<b>5,706,554</b>	<b>2,241,140</b>	<b>7,947,694</b>

## Section B – DIRECTORATE

### 1. Legal framework regarding the remuneration policy and criteria for executive administrators – the Directorate

In accordance with the general legal framework as per article 153<sup>18</sup> para. (2) of Company Law 31/1990, republished, with later amendments and additions, the competence to establish the remuneration of Directorate members belongs to the Supervisory Board.

GEO 109/2011 regulates the specific conditions for the remuneration of Directorate members in a public enterprise.

In 2020, the following changes occurred in the Directorate's membership:

➤ pursuant to art. 64<sup>2</sup> of GEO no. 109/2011, by Supervisory Board Decisions no. 75-79/13.12.2019, the following persons were appointed as provisional Directorate members, for a 4-month mandate, starting with 21.12.2019, until 20.04.2020: Cătălin NIȚU, Ionuț-Bogdan GRECIA, Adrian MOISE, Andreea-Mihaela MIU, Ioan FOLESCU.

➤ pursuant to art. 64<sup>2</sup> of GEO 109/2011, by Supervisory Board Decision no. 3/09.01.2020, Corneliu-Bogdan MARCU was appointed as provisional Directorate member, for a mandate starting with 09.01.2020, until April 20, 2020. Mr. Corneliu-Bogdan MARCU fills the vacant position following the resignation of Mr. Ioan FOLESCU on 08.01.2020.

➤ pursuant to art. 64<sup>2</sup> of GEO 109/2011, by Supervisory Board Decision no. 30/08.04.2020, the provisional Directorate members' mandates were extended for a 2-month period, starting with 21.04.2020, until 20.06.2020: Cătălin NIȚU, Ionuț-Bogdan GRECIA, Corneliu-Bogdan MARCU and Andreea-Mihaela MIU.

➤ pursuant to art. 64<sup>2</sup> of GEO 109/2011, by Supervisory Board Decision no. 30/08.04.2020, Marius-Viorel STANCIU was appointed as provisional Directorate member, for a mandate starting with 21.04.2020, until 20.06.2020.

➤ pursuant to art. 64<sup>2</sup> of GEO no. 109/2011, by Supervisory Board Decision no. 42/09.06.2020, the following persons were appointed as provisional Directorate members, for a 4-month period, starting with 21.06.2020, until 20.10.2020: Cătălin NIȚU, Ionuț-Bogdan GRECIA, Corneliu-Bogdan MARCU, Andreea-Mihaela MIU and Marius-Viorel STANCIU.

➤ pursuant to art. 64<sup>2</sup> of GEO no. 109/2011, by Supervisory Board Decision no. 57/12.10.2020, the provisional Directorate members' mandates were extended for a 2-month period, starting with 21.10.2020, until 20.12.2020: Cătălin NIȚU, Ionuț-Bogdan GRECIA, Corneliu-Bogdan MARCU, Andreea-Mihaela MIU and Marius-Viorel STANCIU.

➤ pursuant to art. 64<sup>2</sup> para. (1) of GEO no. 109/2011 by Supervisory Board Decision no. 68/29.10.2020, Ovidiu ANGHEL was appointed as provisional Directorate member, starting with 30.10.2020, until 20.12.2020. Mr. Ovidiu ANGHEL fills the vacant position following the resignation of Mr. Ionuț-Bogdan GRECIA on 27.10.2020.

➤ in accordance with the provisions of art. 35 para. (4) - (9) and (11) of GEO no. 109/2011, following the selection procedure of the candidates for the positions of CNTEE Transelectrica SA Directorate members, by Supervisory Board Decision no. 73/16.11.2020, pursuant to art. 23 para. (1) and (2) of the Articles of Association, starting with 17.11.2020, until 16.11.2024, the following were appointed as Directorate members: Cătălin NIȚU, Andreea-Mihaela MIU, Corneliu-Bogdan MARCU and Marius Viorel STANCIU.

➤ pursuant to art. 64<sup>2</sup> para. (1) of GEO no. 109/2011, by Supervisory Board Decision no. 76/14.12.2020, Ovidiu ANGHEL was appointed as provisional Directorate member, starting with 21.12.2020, until 20.04.2021.

## **2. Contractual framework regarding the remuneration of executive administrators - Directorate**

Between January 1<sup>st</sup> and November 16<sup>th</sup>, 2020, the Directorate members had a fixed gross monthly indemnification, established by the Supervisory Board in accordance with the legal provisions in force, as follows:

- Directorate Chairman indemnification - 33,200 lei gross/month;
- Directorate members indemnification - 31,600 lei gross/month.

Supervisory Board Decision no. 73/16.11.2020, in accordance with the provisions of art. 38 para. (4), reported with art. 38 para. (1) and (2) and art. 37 para. (3) of GEO no. 109/2011 on the corporate governance of public enterprises, established the Directorate members' remuneration (fixed monthly indemnification) in the amount of 6 times the average in the last 12 months of the average gross monthly earnings for the activity carried out according to the core business object registered by the company, at grade level according to the classification of activities in national economy, communicated by the National Institute of Statistics prior to the appointment, namely 46,597 lei gross/month.

Supervisory Board Decision no. 74/23.11.2020 approved the mandate contract form of the Directorate members appointed according to Decision no. 73/2020.

Pursuant to and in accordance with art. 30 para. (2) and art. 36 para. (3) of GEO no. 109/2011, by Supervisory Board Decision no. 75/02.12.2020, the management component of National Power Grid Company Transelectrica SA Administration Plan was approved, as well as the NPG Co. Transelectrica SA Administration Plan in its entirety.

In addition to the fixed indemnification, the MANDATEE has the right to receive a variable annual remuneration component, for achieving the performance indicators they've committed to in the Management Plan for each year in office. Pursuant to AGOA Decision no. 11/21.12.2020

on the approval of financial and non-financial performance indicators resulting from the administration plan and art. 36 para. (4) of GEO no.109/2011, with later amendments and additions, the approved financial and non-financial performance indicators are annexed to the Directorate members' mandate contracts approved according to Supervisory Board Decision no. 73/2020.

The mechanism for granting the variable annual remuneration component is as follows:

- the amount of the annual variable component for the indicators mentioned in the Management Plan, corresponding to each year in office, doesn't exceed 12 fixed indemnifications and is owed to the Directorate member only if the actual achieved level of these performance indicators in the year in question is fulfilled at the values assumed in the Management Plan. The MANDATEE will annually collect the amount thus calculated, within 15 days from the AGA approval date of the audited stand-alone annual financial statements.

- in the case of a MANDATEE whose mandate ceases prematurely (regardless of the cause), for the period between the beginning of the calendar year in question and the mandate's termination date, the variable annual remuneration component corresponding to the performance indicators of the Management Plan will be granted in installments, proportionally to the number of days in the year in question when the mandate contract under which it is granted was in force..

- as the MANDATE has been appointed on 17 November 2020, for the period between the appointment date and the end of the calendar year in question, the variable annual remuneration component corresponding to the performance indicators of the Management Plan will be granted in installments, proportionally to the number of days in the year in question when the mandate contract under which it is granted was in force. The payment of these annual variable components will be made within 15 days from the AGA approval date of the audited stand-alone annual financial statements.

- the indicators, goals and performance criteria set out in the Management may be revised and amended accordingly in cases of force majeure or in the event of significant changes in the legislative framework or decisions by regulatory authorities, such as, but not limited to, ANRE.

Based on the legal and contractual provisions in force, the amounts corresponding to the fixed remuneration owed to Directorate members, calculated for 2020, are presented below (sums provided in net monthly amounts)..

Nr. crt.	Nume și prenume	IAN 2020	FEB 2020	MAR 20120	APR 2020	MAI 2020	IUN 2020	IUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL 2020
1	Nitu Catalin	19.656	19.656	19.656	19.656	19.656	19.656	19.656	19.656	19.656	19.656	23.078	27.259	246.897
2	Grecia Ionut Bogdan	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	9.955	0	0	174.223
3	Miu Andreea Mihaela	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	22.306	27.259	232.085
4	Folescu Ioan	3.650	0	0	0	0	0	0	0	0	0	0	0	3.650
5	Moise Adrian	18.252	18.252	18.252	9.695	0	0	0	0	0	0	0	0	64.451
6	Marcu Corneliu Bogdan	14.602	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	18.252	22.306	27.259	228.435
7	Stanciu Marius Viorel	0	0	0	7.301	18.252	18.252	18.252	18.252	18.252	18.252	22.306	27.259	166.378
8	Anghel Ovidiu	0	0	0	0	0	0	0	0	0	829	12.765	16.874	30.468
14	TOTAL	92.664	92.664	92.664	91.408	92.664	92.664	92.664	92.664	92.664	85.196	102.761	125.910	1.146.587

At the same time, in accordance with the Mandate Contracts, some Directorate members benefited from the settlement of the equivalent amount of the monthly rent related to the use of an accommodation located in Bucharest, as follows:

Nr. crt.	Nume și prenume	Decontare chirie
1	Anghel Ovidiu	5.812
2	Marcu Corneliu Bogdan	74.178
3	Moise Adrian	23.515
4	Stanciu Marius Viorel	37.659
	<b>TOTAL</b>	<b>141.164</b>

3. Also, during 2020, the **applications for OAVT capitalisation (Options per Virtual Shares of Transelectrica)** were honored in accordance with the enforceable decisions of the courts, as follows:

No.	Name and surname	OAVT according to court enforceable decision	Interest and inflation update	TOTAL 2020
1	Lohan Octavian	2,795,329	899,216	3,694,545
2	Văduva Constantin	3,856,950	1318158	5175108
4	Vișan Gheorghe Cristian	957,084	154,872	1,111,956
5	Teau Ion Toni	4,989,481	1,739,532	6,729,013
6	Chimirel Cătălin Lucian	611,097	494,050	1,105,147
	<b>TOTAL</b>	<b>13,209,941</b>	<b>4,605,828</b>	<b>17,815,769</b>

#### **Nomination and Remuneration Committee,**

Oleg BURLACU - **Chairman**

Luiza POPESCU - **Member**

Adrian GOICEA - **Member**

Ciprian Constantin DUMITRU - **Member**

Jean-Valentin COMĂNESCU - **Member**

Mihaela POPESCU - **Member**

Mircea Cristian STAICU - **Member**