

## **Supervisory Board – Nomination and Remuneration Committee**

No. 13564 /23.03.2022

**To: Shareholders' General Assembly**

### **REPORT**

**of the Nomination and Remuneration Committee from the Supervisory Board  
of National Power Grid Company Transelectrica S.A. („Company”) regarding the  
remunerations of Supervisory Board’s and Directorate’s members in the financial year  
2021**

### **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 („SGA”).

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 2021, the following changes occurred in the Supervisory Board’s membership

- by SGA Decision no. 9 / 26.09.2020, the following members of the Supervisory Board were appointed for a term of 4 years: Luiza POPESCU, Jean Valentin COMĂNESCU, Oleg BURLACU, Adrian GOICEA, Ciprian Constantin DUMITRU, Mihaela POPESCU and Mircea Cristian STAIU. Their term of office began on 30 September 2020;
- by SGA Decision no. June 4/22, 2021, the following members of the Supervisory Board were revoked: Luiza POPESCU, Jean Valentin COMĂNESCU, Oleg BURLACU, Adrian GOICEA, Ciprian Constantin DUMITRU, Mihaela POPESCU and Mircea Cristian STAIU;
- by SGA Decision no. 4/22 June 2021 were appointed as interim members of the Supervisory Board with a term of office of 4 months, starting with June 23, 2021 and until

October 22, 2021 the following: Adina - Loredana DOGARU - TULICĂ, Mihaela POPESCU, Marius Vasile MORARIU, Claudiu Constantin NĂSTASĂ and Adrian Nicolae BLĂJAN;

➤ by Supervisory Board Decision no. 27/25 June 2021, Mr. Victor Florin DUMITRIU was appointed as a provisional SB member, with a term of office of up to October 22, 2022;

➤ by SGA Decision no. 6/21 October 2021, the terms of office of the following provisional Supervisory Board members were extended: Adina - Loredana DOGARU - TULICĂ, Mihaela POPESCU, Marius Vasile MORARIU, Claudiu Constantin NĂSTASĂ, VICTOR FLORIN DUMITRIU and Adrian Nicolae BLĂJAN, until 21 December 21 ;

➤ by Supervisory Board Decision no. 37/21 October 2021, Mr. Virgil Dumitru ORLANDEA was appointed as a provisional Supervisory Board member, with a term of office of up to 21 December 2021;

➤ by SGA Decision no. December 8/14, 2021, the following provisional Supervisory Board members were appointed for a term of 4 months, from December 22, 2021 and until April 21, 2022: Adina - Loredana DOGARU - TULICĂ, Mihaela POPESCU, Marius Vasile MORARIU, Claudiu Constantin NĂSTASĂ, VICTOR FLORIN DUMITRIU, VIRGIL DUMITRU ORLANDEA and Adrian Nicolae BLĂJAN.

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

During **01.01.2021-23.06.2021**, the members of the Supervisory Board had a gross fixed monthly allowance, according to the form of the mandate contract approved by the SGA Decision no. 11/20 December 2020, amounting to **15,532 lei**, as well as a variable annual component for meeting the performance indicators assumed in the Management Plan.

Regarding the variable annual component, on December 10, 2020, the Company's 2020-2024 Management Plan was published. According to the form of the mandate contract approved by the Shareholders' General Assembly:

- the variable annual component for the indicators mentioned in the Management Plan, corresponding to each term of office, is in an amount not exceeding 12 fixed allowances, due by the Company in case the actual level of these performance indicators in the year for which the determination is made is fulfilled at the values assumed by the Management Plan.
- in the case of a trustee whose term of office expires prematurely (regardless of the cause), for the period between the beginning of the respective calendar year and the date of termination of the term of office, the variable annual remuneration component related to the performance indicators mentioned in the Management Plan shall grant, in installments, in proportion to the number of days in that year in which the mandate contract under which it was granted was in force.
- as the trustee was appointed on 17 November 2020, for the period between the date of appointment and the end of the calendar year in question, the variable annual component of remuneration for the performance indicators mentioned in the Management Plan will be granted in within the respective calendar year in which the mandate contract on the basis of which it was granted was in force.
- the payment of this variable annual component will be made within 15 days from the date of approval by the SGA of the audited stand-alone annual financial statements.
- the indicators, targets and performance criteria set out in the Management Plan may be revised and amended accordingly in the event of force majeure events or significant

changes in the legislative framework or decided by regulators, such as, but without limiting, to ANRE.

The Company's action for finding the nullity of SOGA Decision No. 9/28 September 2020 and of Supervisory Board Decision No. 73/16 November 2020, regarding which investors and shareholders were informed by the current report dated of 25.02.2022 is likely to have an impact on those specified above.

During **23.06.2021-31.12.2021**, the members of the Supervisory Board had a gross fixed monthly allowance amounting to **13,976 lei gross / month**, according to the SGA Decision no. 4/22 June 2021.

The mechanism for granting the gross monthly fixed allowance for the period 01.01-31.12.2021 was as follows:

- The Chairman of the Supervisory Board and the SB members who are part of at least 2 advisory committees set up at the board level, benefit from a fixed monthly allowance at the maximum amount.
- The members of the Supervisory Board who are part of an advisory committee set up at the board level, benefit from a fixed monthly allowance representing 90% of the fixed monthly allowance at the maximum amount.
- The members of the Supervisory Board who are not part of the advisory committees set up at the board level, benefit from a fixed monthly allowance representing 85% of the fixed monthly allowance at the maximum amount.

At the date of this report, the following advisory committees have been set up at the level of the Supervisory Board: the Nomination and Remuneration Committee, the Audit Committee and the Energy Security Committee. All members of the Supervisory Board shall be members of at least two advisory committees.

Based on the applicable legal and contractual provisions, the amounts corresponding to the fixed remuneration due to the members of the Supervisory Board calculated for the year 2021 are presented in the following table (the amounts presented are net amounts).

No.	Name, surname	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	TOTAL 2021
1	Popescu Mihaela	15.532	15.532	15.532	15.532	15.532	15.117	13.976	13.976	13.976	13.976	13.976	13.976	176.633
2	Burlacu Oleg	15.532	15.532	15.532	15.532	15.532	11.390	0	0	0	0	0	0	89.050
3	Comanescu Jean Valentin	15.532	15.532	15.532	15.532	15.532	11.390	0	0	0	0	0	0	89.050
4	Goicea Adrian	15.532	15.532	15.532	15.532	15.532	11.390	0	0	0	0	0	0	89.050
5	Popescu Luiza	15.532	15.532	15.532	15.532	15.532	11.390	0	0	0	0	0	0	89.050
6	Dumitru Ciprian Constantin	15.532	15.532	15.532	15.532	15.532	11.390	0	0	0	0	0	0	89.050
7	Staicu Mircea Cristian	15.532	15.532	15.532	15.532	15.532	11.390	0	0	0	0	0	0	89.050
8	Blajan Adrian Nicolae	0	0	0	0	0	3.727	13.976	13.976	13.976	13.976	13.976	13.976	87.583
9	Dogaru-Tulica Adina-Loredana	0	0	0	0	0	3.727	13.976	13.976	13.976	13.976	13.976	13.976	87.583
10	Morariu Vasile Marius	0	0	0	0	0	3.727	13.976	13.976	13.976	13.976	13.976	13.976	87.583
11	Nastasa Claudiu Constantin	0	0	0	0	0	3.727	13.976	13.976	13.976	13.976	13.976	13.976	87.583
12	Dumitriu Florin Victor	0	0	0	0	0	0	13.976	13.976	13.976	13.976	13.976	13.976	83.856
13	Orlandea Dumitru Virgil	0	0	0	0	0	0	0	0	0	3.993	13.976	13.976	31.945

No.	Name, surname	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	TOTAL 2021
	<b>TOTAL</b>	108.724	108.724	108.724	108.724	108.724	98.365	83.856	83.856	83.856	87.849	97.832	97.832	1.177.066

3. Also, during 2021, 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 2021
1	Zachia Zlatea Dragos Corneliu	432.959	130.909	<b>563.868</b>
2	Pogonaru Andrei	1.932.677	0	<b>1.932.677</b>
3	Artopolescu Ovidiu Petrisor	1.077.978	381.074	<b>1.459.052</b>
4	Pirvulescu Daniel Cristian	2.122.359	1.071.497	<b>3.193.856</b>
	<b>TOTAL</b>	<b>5.565.973</b>	<b>1.583.480</b>	<b>7.149.453</b>

## Section B – DIRECTORATE

### 1. Cadrul legal privind politica și criteriile de remunerare pentru administratorii executivi – Directoratul

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 2021, the following changes occurred in the Directorate's membership:

➤ 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 Directorate members of NPG Co. Transelectrica S.A., by the Decision of the Supervisory Board no. 73 / 16.11.2020 were appointed, starting with 17.11.2020 and until 16.11.2024, pursuant to art. 23 paragraphs (1) and (2) of the Articles of Association, as Directorate members, the following: Cătălin NIȚU, Andreea-Mihaela MIU, Corneliu-Bogdan MARCU and Marius Viorel STANCIU.

➤ pursuant to art. 642 para. (1) of GEO no. 109/2011, by the Decision of the Supervisory Board no. 76 / 14.12.2020, Ovidiu ANGHEL was appointed as a provisional Directorate member, starting with 21.12.2020 and until 20.04.2021;

➤ pursuant to art. 642 para. (1) of GEO no. 109/2011, by the Decision of the Supervisory Board no. 13/21 April 2021 Ovidiu ANGHEL was appointed as a provisional Directorate member, **starting with 21.04 2021 and for a term of four months;**

➤ by the Decision of the Supervisory Board no. 25 / 25.06.2021 **it is established:** *the violation by the Directorate members of the provisions of art. 153<sup>20</sup> para. (1) - (4) and art. 153<sup>21</sup> of Company Law no. 31/1990, republished, with later amendments and additions, of the provisions of art. 24 para. (2) - (5) of the Company's Articles of Association, as well as of Art. 6 par. art.13 paragraphs (1) and (2) of the Internal Rules of the Directorate approved by Decision no.44 / 2020. Violation of the aforementioned legal and statutory provisions has resulted in a lack of deliberative character which is essential for the activity and decisions of the Directorate as regulated by legal and statutory provisions and expected by the Company's shareholders, the potential negative effects of such conduct manifesting concretely on the occasion of the rejection of the financial statements on 31.12.2020, the rejection of the profit distribution proposal on 31.12.2020 and the following members of the Management Board **are revoked** on 25.06.2021: Cătălin NIȚU, Ovidiu ANGHEL, Andreea-Mihaela MIU, Bogdan MARCU and Marius Viorel STANCIU;*

➤ pursuant to art. 64<sup>2</sup> para. (1) of GEO no. 109/2011, by the decision of the Supervisory Board no. 36 / 21.10.2021 it was decided to extend with a duration of 2 months, starting with 25.10.2021 and until 24.12.2021, the mandates of provisional Directorate members of the following: Bogdan TONCESCU, Ionuț-Bogdan GREECE, Adrian MORARU, Cătălin-Constantin NADOLU and Marius-Viorel STANCIU;

➤ pursuant to art. 64<sup>2</sup> para. (1) of GEO no. 109/2011, by the Decisions of the Supervisory Board no. 49, 50, 51, 52 and 53 / 22.12.2021 are appointed as provisional Directorate members: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Marius-Viorel STANCIU and Florin Cristian TĂTARU, with a mandate starting with 25.12.2021 and lasting four months, until April 24, 2022.

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

During 01.01.2021-24.06.2021, the Directorate members had a gross fixed monthly allowance, according to the form of the mandate contract approved by SB Decision no. 74/2020. The Supervisory Board (appointed by the SGA by Decision no. 9/2020) established for the Directorate members a gross fixed monthly allowance of 46,597 lei gross / month, as well as a variable annual component for meeting the performance indicators assumed in the Management Plan.

Regarding the variable annual component, on December 10, 2020, the Company's 2020-2024 Management Plan was published. According to the form of the mandate contract approved by the Supervisory Board:

- the variable annual component for the indicators mentioned in the Management Plan, corresponding to each term of office, is in an amount not exceeding 12 fixed allowances, due by the Company in case the actual level of these performance indicators in the year for which the determination is made is fulfilled at the values assumed by the Management Plan.
- in the case of a trustee whose term of office expires prematurely (regardless of the cause), for the period between the beginning of the respective calendar year and the date of termination of the mandate contract, the variable annual remuneration component related to the performance indicators mentioned in the Management Plan shall grant, in installments, in proportion to the number of days in that year in which the mandate contract under which it was granted was in force.
- as the trustee was appointed on 17 November 2020, for the period between the date of appointment and the end of the calendar year in question, the variable annual component of remuneration for the performance indicators mentioned in the Management Plan will be granted in within the respective calendar year in which the mandate contract on the basis of which it was granted was in force.

- the payment of this variable annual component will be made within 15 days from the date of approval by the SGA of the audited stand-alone annual financial statements.
- the indicators, targets and performance criteria set out in the Management Plan may be revised and amended accordingly in the event of force majeure events or significant changes in the legislative framework or decided by regulatory authorities, such as, but without limiting, to ANRE.

The lawsuit of the Company for finding the nullity of SOGA Decision no. 9/2020 and of the Decision of the Supervisory Board no. 73/2020 about which the investors and shareholders were informed through the current report dated 25.02.2022 is likely to have an impact on those specified above.

During **25.06.2021-31.12.2021**, the Directorate members had a gross fixed monthly allowance amounting to 46,597 lei gross / month.

Based on the applicable legal and contractual provisions, the amounts corresponding to the fixed remuneration due to the Directorate members calculated for 2021, are presented below (the amounts presented are net amounts.)

N o.	Name, surname	JAN 2021	FEB 2021	MAR 2021	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021	TOTAL 2021
1	Nitu Catalin	46.597	46.597	46.597	46.597	46.597	37.278	0	0	0	0	0	0	270.263
2	Miu Andreea Mihaela	46.597	46.597	46.597	46.597	46.597	37.278	0	0	0	0	0	0	270.263
3	Marcu Corneliu Bogdan	46.597	46.597	46.597	46.597	46.597	37.278	0	0	0	0	0	0	270.263
4	Stanciu Marius Viorel	46.597	46.597	46.597	46.597	46.597	44.268	46.597	46.597	46.597	46.597	46.597	46.597	556.835
5	Anghel Ovidiu	46.597	46.597	46.597	46.597	46.597	37.278	0	0	0	0	0	0	270.263
6	Grecia Ionut Bogdan	0	0	0	0	0	9.319	46.597	46.597	46.597	46.597	46.597	36.007	278.311
7	Toncescu Bogdan	0	0	0	0	0	9.319	46.597	46.597	46.597	46.597	46.597	36.007	278.311
8	Moraru Adrian	0	0	0	0	0	9.319	46.597	46.597	46.597	46.597	46.597	36.007	278.311
9	Nadolu Catalin Constantin	0	0	0	0	0	9.319	46.597	46.597	46.597	46.597	46.597	46.597	288.901
10	Tataru Florin Cristian	0	0	0	0	0	0	0	0	0	0	0	10.590	10.590
11	Andronache Gabriel	0	0	0	0	0	0	0	0	0	0	0	10.590	10.590
12	Munteanu Stefanita	0	0	0	0	0	0	0	0	0	0	0	10.590	10.590
14	<b>TOTAL</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>230.656</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>232.985</b>	<b>2.793.491</b>

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:

No.	Name, surname	Rent settlement
1	Anghel Ovidiu	34.872
2	Marcu Corneliu Bogdan	37.943
3	Nadolu Catalin Constantin	33.064
4	Stanciu Marius Viorel	54.017
5	Grecia Ionut Bogdan	14.688
	<b>TOTAL</b>	<b>174.584</b>

3. Also, during 2021, the **applications for OAVT capitalisation (Options per Virtual Shares of Transelectrica)** were honored in accordance with the enforceable decisions of the courts, as follows:

<b>No.</b>	<b>Name and surname</b>	<b>OAVT according to court enforceable decision</b>	<b>Interest and inflation update</b>	<b>TOTAL 2021</b>
1	Diaconu Ciprian Gheorghe	1663202	135936	<b>1799138</b>
2	Smeeianu Ion	391387	79858	<b>471245</b>
	<b>TOTAL</b>	<b>2054589</b>	<b>215794</b>	<b>2270383</b>

**Nomination and Remuneration Committee,**

**Adrian Nicolae BLĂJAN - chairman**