



Transelectrica®

Societate Administrată în Sistem Dualist

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

Nr. 15057 /23.03.2023

To: Shareholders' General Assembly

REPORT

**of the Nomination and Remuneration Committee within the Supervisory Board
of National Power Grid Company Transelectrica S.A. („Company”) regarding the
remunerations of Supervisory Board's and Directorate's members for the financial year
2022**

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 for the members of Supervisory Board 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. Changes in the Supervisory Board's membership in the year 2022:

- by SGA Decision no. 8/14.12.2021 the following members of the Supervisory Board were appointed for a term of 4 months, starting December 22, 2021 until April 21, 2022: Dogaru – Tulică Adina – Loredana, Popescu Mihaela, Morariu Marius Vasile, Năstasă Claudiu Constantin, Blăjan Adrian Nicolae, Dumitriu Victor Florin and Orlandea Dumitru Virgil;
- by SB Decision no. 46/22.12.2021 the members of the Supervisory Board have elected Mr. Morariu Marius Vasile as President of the Supervisory Board;
- by SGA Decision no. 3/18.04.2022 the following members of the Supervisory Board were appointed for a term of 4 months, starting on April 22, 2022 until August 21, 2022: Oana-Cristina BALACCIU, Adrian-Nicolae BLĂJAN, Cătălin-Andrei DASCĂL, Victor-Florin DUMITRIU, Dumitru Virgil ORLANDEA, Costin-Mihai PĂUN, Alexandru-Cristian VASILESCU;
- by SB Decision no. 12/03.05.2022 the members of the Supervisory Board have elected Mr. Cătălin-Andrei DASCĂL as President of the Supervisory Board;
- by SGA Decision no. 6/18.08.2022 the following members of the Supervisory Board were appointed for a term of 4 months, starting on August 22, 2022 until December 21, 2022: ATANASIU Teodor, DASCĂL Cătălin-Andrei, ORLANDEA Virgil Dumitru, PĂUN Costin-Mihai, STERP VINGĂRZAN Gheorghe, VASILESCU Alexandru-Cristian, ZEZEANU Luminița;
- by SB Decision no.31/06.09.2022 the members of the Supervisory Board have elected Mr Cătălin-Andrei DASCĂL as President of the Supervisory Board;
- by SGA Decision no.10/15.12.2022 the terms of office were extended with 2 months until February 21, 2023 for the Supervisory Board's members who were appointed by SGA Decision no. 6/18.08.2022.

2. Legal framework for the remuneration of non-executive administrators - the Supervisory Board.

During January 1, 2022 – August 17, 2022, the members of the Supervisory Board had a gross fixed monthly allowance, in accordance with the form of the mandate contract approved by the SGA Decisions no. 8/14.12.2021 and no. 3/18.04.2022, in the amount of 13,976 RON.

During August 18, 2022 – December 31, 2022, the members of the Supervisory Board had a gross fixed monthly allowance in the amount of 17,926 RON gross/month in accordance with SGA Decision no. 6/18 August 2022.

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 Committee for Investment and Energy Security. All members of the Supervisory Board shall be part 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 2022 are presented in the following table (the amounts shown are gross amounts).

Nr. crt.	Nume și prenume	IAN 2022	FEB 2022	MAR 2022	APR 2022	MAI 2022	IUN 2022	IUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	TOTAL 2022
1	Popescu Mihaela	13976	13976	13976	9783	0	0	0	0	0	0	0	0	51711
2	Blajan Adrian-Nicolae	13976	13976	13976	13976	13976	13976	13976	9468	0	0	0	0	107300
3	Dogaru-Tulica Adina-Loredana	13976	13976	13976	9783	0	0	0	0	0	0	0	0	51711
4	Morariu Vasile-Marius	13976	13976	13976	9783	0	0	0	0	0	0	0	0	51711
5	Nastasa Claudiu-Constantin	13976	13976	13976	9783	0	0	0	0	0	0	0	0	51711
6	Dumitriu Florin-Victor	13976	13976	13976	13976	13976	13976	13976	9468	0	0	0	0	107300
7	Orlandea Dumitru-Virgil	13976	13976	13976	13976	13976	13976	13976	15251	17926	17926	17926	17926	184787
8	Dascal Catalin-Andrei	0	0	0	4193	13976	13976	13976	15251	17926	17926	17926	17926	133076
9	Balaciu Oana-Cristina	0	0	0	4193	13976	13976	13976	9468	0	0	0	0	55589
10	Paun Costin-Mihai	0	0	0	4193	13976	13976	13976	15251	17926	17926	17926	17926	133076
11	Vasilescu Alexandru-Cristian	0	0	0	4193	13976	13976	13976	15251	17926	17926	17926	17926	133076
12	Zezeanu Luminita	0	0	0	0	0	0	0	5783	17926	17926	17926	17926	77487
13	Atanasiu Teodor	0	0	0	0	0	0	0	5783	17926	17926	17926	17926	77487
14	Sterp Vingarzan Gheorghe	0	0	0	0	0	0	0	5783	17926	17926	17926	17926	77487
	TOTAL	97832	97832	97832	97832	97832	97832	97832	106757	125482	125482	125482	125482	1293509

3. Also, during the year 2022 the **capitalization requests for OAVT (Options for Virtual Shares Transelectrica)** were honored in accordance with the enforceable decisions of the Courts of Law, as follows:

No.	Name and Surname	OAVT according to court decision	Interest and inflation update	TOTAL 2022
1	Bugică Radu	1,787,623	895,085	2,682,708
	TOTAL	1,787,623	895,085	2,682,708

4. Litigation

On 24.02.2022 the Company submitted at the Bucharest Tribunal, Civil Section VI an Action to establish the nullity of the Shareholders' General Assembly Decision no. 9/28.09.2020 and of the Supervisory Board Decision no.73/16.11.2020, as well as of the subsequent documents by which the members of the Supervisory Board and of the Directorate were appointed for four – years terms in the year 2020. In giving support to the action, the Company has invoked **violations of the legal provisions applicable to the appointment of members of the management bodies**, violations on which the Company has separately been informed about the existence of a case pending before a specialized criminal investigation structure. In

the first instance, the Company's request was rejected as being formulated by a person who is lacking active procedural standing, a decision against which the Company has declared an appeal.

In the SGA on 31.08.2021 the Company has brought to the attention of its shareholders through the Information material SGA no. 32601/29.07.2021 the claims of some ex-members of the Supervisory Board revoked by SGOA Decision no. 4/22.06.2021. Regarding these claims, the Company has informed its shareholders and the interested ones about the fact that Mr. Oleg Burlacu, member of the Supervisory Board, revoked by SGA Decision no. 4/2021 has submitted the arbitration request ARB-5680 Burlacu (RO) vs. Transelectrica (RO) to the court of Vienna International Arbitral Centre, the value of his claims being in the amount of 792,132 RON (main), representing compensations based on mandate contract concluded in applying the Decision no. 9/28.09.2020 of the Shareholders' General Assembly.

On 30.12.2022 The Vienna International Arbitral Centre ruled through Arbitral Decision according to which it admitted the request of Oleg Burlacu and it forced the Company to pay 792,132 RON (main) representing compensations based on mandate contract concluded in applying the Decision no. 9/28.09.2020 of the Shareholders' General Assembly, gross amount to which accessories and court cost are added. The arbitral decision is final and binding.

During the year 2022 Mr. Ciprian Constantin Dumitru and Mrs. Luiza Popescu, ex-members of the Supervisory Board, revoked by SGA Decision no.4/2021, have submitted to The Vienna International Arbitral Centre the arbitration requests ARB-5697 and ARB-5713, the value of their claims being of 882,324 RON (main), namely 792,132 RON (main), representing compensations based on mandate contract concluded in applying the Decision no. 9/28.09.2020 of the Shareholders' General Assembly.

Section B – THE DIRECTORATE

1. Legal framework for the remuneration of non-executive administrators - the Directorate

In accordance with the general legal framework as per article 153¹⁸ 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.

Changes occurred in the Directorate's membership in the year 2022:

➤ Pursuant to art. 64² para. (1) of G.E.O. no. 109/2011, by the Decisions of the Supervisory Board no. 49, 50, 51, 52 and 53/22.12.2021 the followings are appointed as provisional members of the Directorate: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Marius-Viorel STANCIU and Florin Cristian TĂTĂRU, for a term of four months, starting on December 25, 2021 until April 24, 2022;

➤ Pursuant to art. 64² para. (1) of G.E.O. no 109/2011, by the Decision of the Supervisory Board no. 13/23.03.2022 it was decided to extend with 2 months the mandate contracts of the following provisional members of the Directorate, starting on April 25, 2022 until June 24, 2022: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU and Florin Cristian TĂTĂRU; Pursuant to art. 64² para. (1) of G.E.O. no. 109/2011, it was decided to appoint Mr. Bogdan TONCESCU as provisional member of the Directorate for a mandate starting on April 25, 2022 until June 24, 2022;

➤ Pursuant to art. 64² alin. (1) of G.E.O. no. 109/2011, by the Decision of the Supervisory Board no. 18/21.06.2022 there are appointed as provisional member of the Directorate: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTĂRU and Bogdan TONCESCU, with a mandate starting on June 25, 2022 until October 24, 2022;

➤ Pursuant to art. 64² para. (1) of G.E.O. no. 109/2011, by the Decision of the Supervisory Board no. 43/14.10.2022 it was decided to extend with 2 months the mandate contracts of the provisional members of the Directorate, starting on October 25, 2022 until December 24, 2022 for the following: Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU;

➤ Pursuant to art. 64² para. (1) of G.E.O. no. 109/2011, by the Decision of the Supervisory Board no. 53/19.12.2022, Gabriel ANDRONACHE, Ștefăniță MUNTEANU, Cătălin Constantin NADOLU, Florin Cristian TĂTARU and Bogdan TONCESCU are appointed as provisional member of the Directorate, with a four – months mandate that starts on December 25, 2022 until April 24, 2023.

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

During 01.01.2022 – 14.10.2022 the Directorate members have had a gross fixed monthly allowance in the amount of 46,597 RON gross/month.

During 15.10.2022 – 31.12.2022 the Directorate members have had a gross fixed monthly allowance in the amount of 55,050 RON gross/month.

Based on the applicable legal and contractual provisions, the amounts corresponding to the fixed remuneration due to the Directorate members calculated for 2022, are presented below (the amounts presented are gross amounts)

Nr. crt.	Nume și prenume	IAN 2022	FEB 2022	MAR 2022	APR 2022	MAI 2022	IUN 2022	IUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	TOTAL 2022
1	Tataru Florin-Cristian	46597	46597	46597	46597	46597	46597	46597	46597	46597	51427	55050	55050	580900
2	Stanciu Marius-Viorel	46597	46597	46597	36787	0	0	0	0	0	0	0	0	176578
3	Nadolu Catalin-Constantin	46597	46597	46597	46597	46597	46597	46597	46597	46597	51427	55050	55050	580900
4	Andronache Gabriel	46597	46597	46597	46597	46597	46597	46597	46597	46597	51427	55050	55050	580900
5	Munteanu Stefanita	46597	46597	46597	46597	46597	46597	46597	46597	46597	51427	55050	55050	580900
6	Toncescu Bogdan	0	0	0	9810	46597	46597	46597	46597	46597	51427	55050	55050	404322
14	TOTAL	232985	232985	232985	232985	232985	232985	232985	232985	232985	257135	275250	275250	2904500

At the same time, in accordance with the mandate contracts, some members of the Directorate have benefited from the repayment of the amount of the monthly rent related to the use of a house located in Bucharest and/or the transport (road, air, rail) from the residence specified in the Identification Card to the headquarters and the return, as follows:

No.	Name and surname	Rent/transport settlement
1	Tătaru Florin Cristian	118,945 – of which 72,282 accommodation and 46,663 transport
2	Stanciu Marius-Viorel	17,665
3	Nadolu Cătălin-Constantin	66,049
4	Munteanu Ștefăniță	70,398
	TOTAL	154,112

3. Also, during the year 2022 the **capitalization requests for OAVT (Options for Virtual Shares Transelectrica)** were honored in accordance with the enforceable decisions of the Courts of Law, as follows:

No.	Name and surname	OAVT according to court enforceable decision	Interest and inflation update	TOTAL 2022
1	Teau Ion Toni	224,111	1,319,790	1,543,901
	TOTAL	224,111	1,319,790	1,543,901

4. Litigation

During the year 2022, Mr.Cătălin Nițu, ex-member of the Directorate, revoked by the Decision no.25/25.06.2021 of the Supervisory Board, has submitted the arbitration request ARB-5706, the value of his claims being of 559,164 RON (main), representing compensations based on mandate contract concluded in applying the Decision no. 73/16.11.2020of the Supervisory Board.

The Nomination and Remuneration Committee

VASILESCU Alexandru-Cristian, Chairman

DASCĂL Cătălin-Andrei, Member

ORLANDEA Dumitru Virgil, Member

PĂUN Costin-Mihai, Member

STERP VINGĂRZAN Gheorghe, Member