

No 24549/16.05.2023

NOTE

Regarding approval of the Shareholders' General Assembly for the gross dividend per share from the profit registered on 31.12.2022

I. Generalities:

In accordance with legal and statutory provisions the Directorate of NPG Transelectrica has the obligation to propose the gross dividend / share.

Thus, the Directorate of Transelectrica has forwarded to the shareholders for the meeting convened on 27(28).04.2023 the proposal regarding the distribution of dividends from the profit registered on 31.12.2022 by applying a distribution rate of 50% calculated at the remaining profit to be distributed, taking into consideration the lack of cash that can create vulnerabilities and can endanger the Company's financial security.

In the Shareholders' General Assembly from 27.04.2023 the shareholders have rejected the proposal regarding the distribution of dividends from the profit registered on 31.12.2022 with the application of a distribution rate of 50% - SGA Decision no. 5 from April 27, 2023, by which the shareholders have voted with 43,020,419 votes against representing 76.11194% from the total number of votes cast, the distribution of dividends from the profit registered on 31.12.2022.

On April 28, 2023 the Company had informed the shareholders and the investors regarding its position towards the distribution rate of dividends.

Following the Company's actions, the majority shareholder has communicated the address no. 20/15875/10.05.2023, registered in the Company under no. 24152/12.05.2023, by which the memorandum was forwarded „ *Authorization of the General Secretariat of the Government for the mandate, by Order of the General Secretariat of the Government, of the representatives of the State in the general meeting of shareholders of CNTEE "Transelectrica" S.A. to exercise the right to vote in compliance with the dividend distribution proposal in a share of 50% of the distributable profit related to the financial year of 2022, remaining after deducting the related amounts according to O.G. no. 64/2001 (...)*”.

Following what was mentioned above, the Directorate of Transelectrica forwards for approval the present proposal on the gross dividend / share.

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II. Justification:

1) Total value of dividends to be distributed

As regards financial statements of 2022, profit is distributed within CNTEE "Transelectrica" S.A. in accordance with the legislation applicable to national companies with majority state capital. Under such circumstances in accordance with the proposed distribution to legal destinations of the accounting profit remaining after deduction of income tax on 31 December 2022, the **total value of dividends for 2022** to be allocated to the shareholders of CNTEE Transelectrica SA, legal and natural persons, resident and non-resident, amounts to **52,045,231 Lei**.

2) Establishing the gross dividend per share

Dividends are distributed to shareholders in proportion to the participation quota to the Company's share capital.

- ✓ On the date of this proposal the number of shares associated to the share capital subscribed and paid is **73,303,142**;
- ✓ The gross dividend per share according to 2022 profit is **0.71Lei**;

Mention should be made that, in accordance with the provisions of the applicable Fiscal Code, the dividend tax will be withheld and transferred to the state budget by Transelectrica upon actual payment of dividends;

3) Maximum payment term of dividends

- ✓ In accordance with legal provisions the pay term is "no later than 6 months from the approval date of annual financial statements for the ended financial year" (according to Company Law 31/1990, republished, with later amendments and additions) and "no greater than 6 months from the reunion date of the shareholders' general assembly establishing the dividends" (according to Law 24/2017 on the issuers of financial instruments and payment operations, with later amendments and additions);
- ✓ In accordance with article 1, para (3) of OG 64/2001 *on profit distribution in national societies, national companies and trading companies with full or majority state capital, and in independent authorities*, updated form, the Company is obliged "to transfer dividends owed to shareholders within 60 days from the law-provided term to submit annual financial statements".
- ✓ In accordance with article 178 para (1) from Regulation 5/2018 of the Financial Supervision Authority regarding issuers of financial instruments and payment operations "payment date is established so as such day can be a week-day subsequent by 15 days at the most to the registration date".

Therefore, the payment of dividends for the year 2022 will be made starting from **27.07.2023 (payment date), date established** in accordance with the legal framework applicable to the Company.

4) Modes of payment

- ✓ In accordance with article 87 para (5) of L-24/2017 on the issuers of financial instruments and payment operations, corroborated to article 177 para (1) of Regulation

5/2018 regarding issuers of financial instruments and payment operations, the Company will pay the dividends by means of the Central Depositary, according to its own rules, as well as by the participants to such system. Dividends and other amounts owed to financial instruments holders are distributed in accordance with the provisions of contracts to be concluded in this respect between the central depositary and issuers, between the central depositary and its participants, as well as between the central depositary and payment agents;

- ✓ The detailed payment procedure will be notified to shareholders when AGOA of 19/20.06.2023 has approved them by communiqué disseminated by means of the capital market institutions¹, published in a nation-wide spread newspaper and on site www.transelectrica.ro, section Investor Relations/Shares/Dividends;

5) The shareholders who receive dividends for the year 2022 are those registered in the records of Depozitarul Central S.A. corresponding to the proposed registration date of 07.07.2023, ex-date 07.06.2023 (the registration date is later than the date of the SGA – 19(20) 06.2023 - by at least 10 working days).

III. Proposals:

Taking into consideration the above in accordance with article 14 letter b) from the Articles of association of CNTEE Transelectrica SA, we submit to the approval of the Shareholders' general ordinary assembly convened for ordinary reunion on 19/20.06.2023 as follows:

- 🚩 Approving the gross dividend per share at **0.71 Lei** from the profit registered on 31.12.2022;
- 🚩 Approving the registration date: **07.07.2023, ex-date 06.07.2023**;
- 🚩 Establishing the payment date beginning with **27.07.2023**;

Ștefăniță MUNTEANU

Cătălin Constantin NADOLU

Florin - Cristian TĂTARU

Bogdan TONCESCU

Executive Director General
Chief Executive Officer

Directorate Member

Directorate Member

Directorate Member