



Transelectrica®

Societate Administrată în Sistem Dualist

Compania Națională de Transport al Energiei Electrice
Transelectrica SA - Sediul Social: Str. Olteni, nr. 2-4, C.P. 030786, București
România, Număr Înregistrare Oficiul Registrului Comerțului J40/8060/2000,
Cod Unic de Înregistrare 13328043. Telefon +4021 303 56 11, Fax +4021 303 56 10
Capital subscris și vărsat: 733.031.420 Lei
www.transelectrica.ro

Nr.8388/26.02.2025

Supervisory Board

Note

Regarding the approval by the Shareholders' General Assembly of the update of remuneration of Supervisory Board members and of the change of items 5.1.3, 5.1.7 and 5.2.19 from Mandate Contract of Supervisory Board members approved by AGOA Decision no.1/February 28/2024 and the empowerment of General Secretariat of Government representative in Shareholders' General Assembly to sign in the name of the Company the addendum to mandate contracts with the ones nominated as members of Supervisory Board by AGOA Decision no.1/February 28/2024

On February 28, 2024, the Shareholders' General Assembly approved the nomination of Supervisory Board members with a 4 years duration, starting 01.03.2024 until 29.02.2028.

The legal framework regarding the fixed remuneration of Supervisory Board members comes from the character of the Company as a joint stock company managed under two-tier system under the provisions of art.153¹ and the following ones of Law no.31/1990, republished with later amendments and additions, by a Directorate and a Supervisory Board and the statute of the Company as *public enterprise* according to art.2 item. 2 let. b) of G.E.O. 109/2011 on the corporate governance of public enterprises.

Regarding the **remuneration of Supervisory Board members**, it is the duty and obligation of the Shareholders' General (Ordinary) Assembly to set this remuneration according to art.111 para.(2) let.c) ¹and art.153¹⁸ para.(1) ² of Corporations Law, legal provisions which are reflected at the Articles of Association level at art.14 para.(1) let.f). Taking into consideration the fact that Articles of Association of the Company does not establish the remuneration of Supervisory Board members, in report with the applicable legal provisions, it comes out that this is established or, as the case, changed by the resolution of the Shareholders' General Assembly.

Regarding the exercise of this power by Shareholders' General Assembly, the Corporations Law mentions at art.153¹⁸ para.(4)³ the obligation of Shareholders' General Assembly to ensure itself that **the remuneration is justified in report with specific duties of people concerned and with economic situation of the company**. Similar to Corporations Law, G.E.O. 109/2011 according to art 37 para (5) sets as a duty of the Shareholders' General Assembly the obligation to ensure the setting of fixed monthly compensation for each member of (...) of Supervisory Board, determined according to para (2) and (4), *that this* is justified in report with specific duties, attributions within advisory committees, with number of meetings, objectives and performance criteria set by mandate contract. In the context of the suggestion submitted to AGA we mention that:

¹ Except the debate of other problems on the agenda, the general assembly must:

c) *set the remuneration due for the current year for administratin board members, namely supervisory board members and auditors, if it was not set by articles of association;*

² *the remuneration of administratin board members or of supervisory board members is set through articles of association or through resolution of shareholders'general assembly.*

³ General Assembly, namely Administration Board or Supervisory Board and if the case, the Remuneration Committee shall ensure when establishing the remunerations or other benefits that they are justified in report with specific duties of the people concerned and with economic situation of the company.

- Transelectrica S.A. has no debts to the general consolidated budget, has no outstanding debts towards the suppliers and towards other creditors, has no previous accounting losses and does not record current accounting losses;
- Strategic responsibility in managing energy transmission with direct impact on the national economy;
- The complexity of regulations and obligations of Transelectrica S.A., including the alignment to European requirements and the A.N.R.E. legislation;
- The importance of holding a solid corporate governance, aligned to the OECD principles and EU requirements;
- Compliance with the objectives that are the subject of the OECD corporate governance principles and those established under GEO 109/2011, which aim to ensure that the act of administration and management is carried out competitively and with an emphasis on performance by professionals in the field;
- Investment objectives which will start in the year 2025 or the next years amount to 132,895 thousand RON, namely 22 % from Company's own Investment Expenses;
- Total value of investment in progress is 380,071 thousand RON representing 62 % from Company's own Investment Expenses;
- Implementation of the 11 projects related to the Modernization Fund which amount to over 551 million euro;
- The multitude of the strategic objectives assumed through Administration Plan:
 - **Planning and implementing change management;**
 - **Resizing an organizational chart, adapted to current needs and structured on the main operating processes of the Company;**
 - **Identifying and implementing an adequate staff structure and the skills necessary to implement the change;**
 - **Integration of renewable and classic sources that ensure flexibility and stability in operation (for the energy transition period);**
 - **Strengthening the RET, increasing the operational safety of the RET and eliminating structural congestion;**
 - **Sustainable development of own infrastructures;**
 - **Optimization of maintenance and investment budgets in order to recognize the respective expenses by the regulator;**
 - **Achievement of at least 90 % of the Annual Maintenance Plan;**
 - **Program of rethinking the critical processes in the Company;**
 - **Maintaining and developing relationships with international and local financial institutions to increase their attractiveness in relation with Transelectrica;**
 - **Attracting, maintaining and the professional development of human resources (ensuring an appropriate personnel policy and increasing personnel skills, adapted to technological progress);**
 - **Introducing a high – performance information system;**
 - **Protecting the critical infrastructure by adopting cybersecurity measures;**
 - **Digitalization of SEN in accordance with the Company's strategies and policy, ensuring the performance increase by introducing digital technologies and by developing strategic capabilities (personnel, assets, structure, processes, etc.);**
 - **Starting a technological and operational audit of the current situation regarding IT&C services and infrastructure;**

- **Alignment with European sustainability requirements, from the perspective of complying with the entire regulatory framework regarding taxonomy.**
- Currently the Company's administrators benefit exclusively of a remuneration consisting of a fixed remuneration, according to legal framework and to mandate contract clauses.

Taking into consideration the statute of the Company as public enterprise, regarding Supervisory Board members remuneration, special law provisions are applicable too, namely GEO 109/2011. Thus, the remuneration must be established in a certain structure and certain limits according to art. 37 para. (2) from GEO no.109/2011.

Towards those presented, **we submit to the Shareholders' General Assembly of the Company:**
"The update of remuneration of Supervisory Board members, according to art. 37 para. (2) of GEO no.109/2011, namely 3 times the average of the last 12 months of the gross monthly average income for the activity developed according to the main activity object recorded by the company, at the class level according to classification of activities from national economy, communicated by the National Institute of Statistics before the appointment and the empowerment of General Secretariat of Government representative in Shareholders' General Assembly to sign in the name of the Company the addendum to mandate contracts with the ones nominated as members of Supervisory Board by AGOA Decision no.1/February 28/2024".

The legal framework regarding the approval of mandate contract content of Supervisory Board members comes from the character of the Company as a joint stock company managed under two-tier system under the provisions of art.153¹ and the following ones of Law no.31/1990, republished with later amendments and additions, by a Directorate and a Supervisory Board and the statute of the Company as *public enterprise* according to art.2 item. 2 let. b) of G.E.O. 109/2011 on the corporative governance of public enterprises.

For a better application of the mandate contract of Supervisory Board members approved by AGOA Decision no. 1/February 28, 2024, **we submit to the approval of Shareholders' General Assembly the change of some articles of mandate contract of Supervisory Board members appointed by AGOA Decision 1/February 28, 2024, namely:**

"5.1.3 During and for the execution of the mandate, the Administrator has the right to be provided by the Company with inventory items/fixed assets necessary for the performance of the activity, keeping the expenses within the limits established by the Income and Expenditure Budget approved by Shareholders' General Assembly.

5.1.7 The Administrator together with the other administrators can under the law conditions benefit from specialized assistance for substantiating/motivating decisions taken within the board, within the limits established by the Income and Expenditure Budget approved by Shareholders' General Assembly.

5.2.19 To attend at least one professional training program in the field of corporate governance, as well as in other relevant fields for public enterprise, according to the applicable legal frame, under the limits established by the Income and Expenditure Budget approved by Shareholders' General Assembly".

Chairman
Supervisory Board
Cătălin Andrei DASCĂL

ADDENDUM NO. ____, to MANDATE CONTRACT NO. ____

In order to apply the provisions of:

- **Governmental Emergency Ordinance 109/2011** on the corporative governance of public enterprises, approved by Law 111/2016, with later amendments and additions, hereinafter called **G.E.O. 109/2011**;
- **Governmental Decision 639/2023** on approving the Methodological norms to apply G.E.O. No. 109/2011, on corporative governance of public enterprises hereinafter called Methodological norms - **Annex no. 1**- Methodological norms from July 27, 2023 to establish the criteria of selection for the members of the supervision/administration boards of public enterprises, to draw the short list for each position, its ranking, the procedure regarding the final appointment, as well as to establish other measures necessary to implement the provisions of Governmental Emergency Ordinance 109/2011 on the corporative governance of public enterprises and **Annex 2**-Methodological norms from July 27, 2023 to establish the financial and non-financial performance indicators and the variable component of the remuneration of the members of the supervision/administration boards of public enterprises, as well as of the managers, respectively of the directorate members, hereinafter called, **Methodological norms**;
- **The Corporations Law 31/1990** republished, with later amendments and additions, hereinafter called **Law 31/1990**;
- Art. 1913 -1919, art. 1924, as well as art. 2009-2042 from Law 287/2009 on the Civil code, with later amendments and additions;
- The Articles of Association of the National Power Transmission Company Transelectrica, managed under two tier system, hereinafter called **The Articles of Association**;

Taking also into consideration the provisions of the specific legal framework applicable to the Company as an issuer of securities listed on the Bucharest Stock Exchange („BVB”) in the Premium category and as a system and transmission operator in the field of electric energy, namely the provisions of:

- Law no.24/2017 on issuers of financial instruments and market operations, republished, with amendments and additions, the regulations issued by the Financial Supervisory Authority in applying this law and the other subsequent regulations, as well as the regulations issued by the BVB,
- Electricity and natural gas law no. 123/2012, with amendments and additions,

Taking into consideration and the provisions of:

- Government Ordinance no. 26/2013 regarding the strengthening of the financial discipline at the level of some economic operators where the State or the administrative – territorial units are the sole or majority shareholders or they hold directly or indirectly a majority stake, with subsequent amendments and additions,
- Memorandum on the subject: *Corporate governance of public enterprises. Measures regarding the negotiation of the mandate contracts of the members of administrative boards or, as the case may be, the supervisory board and the directorate of public enterprises, under the aspect of arbitration clauses (arbitration)* approved by The Government of Romania in the meeting on 04.01.2024.

Following and based on the nomination by the Shareholders’ General Assembly („A.G.A.”) through **A.G.A Decision no. ____/____** of Mr./Mrs. _____ as member of the Supervisory Board of the National Power Transmission Company Transelectrica, managed under two tier system, and of the express acceptance by Mr./Mrs. _____ of the mandate, being necessary to establish the rights and obligations of the mandator and mandatee corresponding to the exercise by the later one of the position of member of the Supervisory Board, this addendum to the mandate contract no. _____/_____ is concluded according to the following.

Art.1 Addendum Parties

National Power Transmission Company Transelectrica SA, public enterprise, company managed under two-tier system, with headquarters in Bucharest 3 district, Olteni Street no. 2-4, registered under no. J40/____/2000, with the National Office of the Commercial Register, single (fiscal) registration code _____, hereinafter called "**the Company**", represented by Shareholders' general assembly which appointed by **A.G.A. Decision no. ____/____** Mr./Mrs. _____ to sign in the name of the Company the present addendum in the form and content approved by **A.G.A. Decision no. ____/____**, as **Mandator**
And

_____, Romanian citizen, born on _____ in _____, residing in _____, with the mailing address declared in _____, personal identification number _____ appointed as **Member of the Supervisory Board of Transelectrica („Board”)** in accordance with the **Decision of A.G.A. no. ____/____**, hereinafter referred as „**Administrator**” who took note of the form and content of the addendum approved by A.G.A. Decision no. ____/____ and has expressly accepted the mandate under these contractual conditions, as **Mandatee**.

Have mutually agreed the following:

Art. I. Art. 5.1.3 from Mandate Contract changes, the new paragraph shall be the following:

”5.1.3 During and for the execution of the mandate, the Administrator has the right to be provided by the Company with inventory items/fixed assets necessary for the performance of the activity, keeping the expenses within the limits established by the Income and Expenditure Budget approved by Shareholders’ General Assembly.”

Art. II. Art. 5.1.7 from Mandate Contract changes, the new paragraph shall be the following:

”5.1.7 The Administrator together with the other administrators can under the law conditions benefit from specialized assistance for substantiating/motivating decisions taken within the board, within the limits established by the Income and Expenditure Budget approved by Shareholders’ General Assembly.”

Art. III. Art. 5.2.19. 7 from Mandate Contract changes, the new paragraph shall be the following:

”5.2.19 To attend at least one professional training program in the field of corporate governance, as well as in other relevant fields for public enterprise, according to the applicable legal frame, under the limits established by the Income and Expenditure Budget approved by Shareholders’ General Assembly”.

Art. IV. Art. 12.2 7 from Mandate Contract changes, the new paragraph shall be the following:

„12.2 The maximum value of the monthly fixed gross indemnization is in amount of 3 times the average of the last 12 months of the monthly gross average earnings for the activity carried out according to main activity object registered by the company, at class level according to the activity classification from national economy, communicated by National Statistics Institute before the nomination, namely March 2023 – February 2024.”

Therefore we have concluded the present Addendum to Mandate Contract today __, at __, in 2 (two) original exemplary, the parties declaring that they have each received one exemplary when signing this addendum.

**National Power Transmission Company
Transelectrica SA**

**ADMINISTRATOR
Mr./Mrs.**

Through:.....mandated,
Through Resolution no. of
Shareholders' General Ordinary Assembly

Annex 1

NON-COMPETE OBLIGATIONS

Non-compete

During the exercise of his mandate in the *Company*, the Mandatee directly or indirectly agrees to and is bound:

- a) Not to engage in any activity or business which is in competition with or similar with the main activity of the *Company*;
- b) not to assist in any way any person who's activities are in competition with or harm in any other way the commercial activities of the *Company*;

The non – compete obligation produces effects on the territory of Romania as well as in the countries where the *Company* operates or has the intention to operate.

Refraining from the request for services

During the exercise of his mandate in the *Company*, the Mandatee, directly or indirectly, with or without a commission, will not:

- a) determine or attempt to determine any employee, consultant, supplier, buyer or independent contractor of the company to terminate his relationship with the *Company*;
- b) use, retain as a consultant or contractor, or determine the hiring or retention of any employee, hiring/entering into a contractual relationship with any agent, consultant, service provider or product provider, buyer or independent contractor of the *Company*, so that the action can cause damage to the *Company*.

Breach of non – compete obligations

Any violation of the obligations contained in this Annex by the Administrator entitles the *Company* to request compensation from him for damages caused to the *Company*.

**National Power Transmission Company
Transelectrica SA**

Through:.....mandated,
Through Resolution no. of
Shareholders' General Ordinary Assembly

**ADMINISTRATOR
Mr./Mrs.**