

## REPORT of the

### Nomination and Remuneration Committee from the Supervisory Board of the National Power Grid Company Transelectrica SA („Company”) regarding the remunerations of supervisory board’s and directorate’s members in the financial year 2018

#### 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) let. c) of the 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 public enterprise in accordance with article 2 item 2 let. b) of Emergency Ordinance 109/2011 *regarding the corporative governance of public enterprises*, with later amendments and additions (OUG 109/2011). This OUG 109/2011 regulates the specific conditions for the remuneration of members in the supervisory board of a public enterprise.

Mention should be made of the following items:

- (i) OUG 109/2011 underwent significant changes including the supervisory board’s remuneration as effect of the approval Law 111/2016 (effective date: 4 June 2016);
- (ii) In accordance with Law 111/2016 (article II), mandate contracts of supervisory board members are subject to the legislation applicable on their conclusion date, unless the parties agree with amending them according to Law 111/2016. In actual terms Supervisory board members whose contracts were concluded before 4 June 2016 did not conclude addendums in this respect.
- (iii) On 30.05.2017 expired the 4 years’ mandates of Supervisory board members elected under AGA Decision 4/30.05.2013. Beginning with 31.05.2017 AGA appointed according to OUG 109/2011 the provisional Supervisory board members with limited mandate until completing the selection procedure for Supervisory board members. In accordance with the AGA decision launching this procedure, it is conducted at the level of the higher authority, namely the Ministry of Economy. **The provisional Supervisory board members do not**

### **benefit of the variable component in their remuneration.**

The main provisions of OUG 109/2011, relevant for the remuneration of Supervisory board members are as follows:

- The remuneration of supervisory board members is determined by the shareholders' general assembly having the structure and limits provided in OUG 109/2011 (article 37 para (1) of OUG 109/2011);
- The supervisory board members' remuneration consists of fixed monthly indemnification and a variable component (article 37 para (2) of OUG 109/2011);
- The fixed monthly indemnification cannot exceed the 12 months' average mean of the gross monthly average wage gain for the activities performed in accordance with the registered main business of the company at class level according to the classification of national economy's activities notified by the National Statistics Institute before appointment (beginning with 4 June 2016 the maximum limit is twice the 12 months' average mean of the gross monthly average wage gain);
- The variable component of the remuneration consists of the participation share to the company's net profit, a pension scheme or another form of remuneration based on performance indicators (article 37 para (2) of OUG 109/2011). In accordance with well-grounded recommendations formulated using a comparative study on the remuneration terms for similar corporative positions within full or majority state capital companies from Romania and other European countries with similar business, the amount of the variable component is established by the nomination committee or, as the case may be, by the human resource recruiting experts whose services were contracted to carry out the selection procedure for the board of administration's / supervisory board's members (article 37 para (5) of OUG 109/2011). Both provisions were applicable until 4 June 2016 but also to the contracts concluded before this date, which were not amended as per Law 111/2016;
- Beginning with 4 June 2016 the variable component is established using financial and non-financial performance indicators negotiated and approved by AGA, different from those approved for Directorate members, which are determined observing a methodology approved by Governmental Decision aiming at the Company's long-term sustainability and at complying with good governance principles. Beginning with 4 June 2016 the variable component's quantum for non-executive members cannot exceed a maximum of 12 monthly fixed indemnifications (article 37 para (2) of OUG 109/2011);
- Beginning with 4 June 2016 the variable component of the remuneration for supervisory board members is reviewed annually, depending on the achievement of objectives included in the administration plan and on reaching the financial and non-financial performance indicators approved by the shareholders' general assembly, attached to the mandate contract (article 37 para (4) of OUG 109/2011).
- The remuneration and other benefits provided to supervisory board members will

be registered in the annual financial statements and in the annual report of the nomination and remuneration committee, while the remuneration policy and criteria for supervisory board and directorate members are made public on the public enterprise's internet page, by care of the supervisory board (article 39 of OUG 109/2011).

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

In accordance with the provisions of mandate contracts concluded between the Company and Supervisory Board members, they benefit of remuneration consisting of fixed gross monthly indemnification and do not benefit of the variable component.

The maximum fixed gross monthly indemnification owed to Supervisory Board members on 01.01.2018 - 28.03.2018 during the provisional members' mandate was in quantum of 4,435 Lei gross/month.

The maximum fixed gross monthly indemnification owed to Supervisory Board members on 29.03.2018<sup>1</sup>-30.09.2018 during the provisional members' mandate is in quantum of 5,319 Lei gross/month.

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.

## **3. Actual situation – events impacting the remuneration of non-executive administrators - the Supervisory board – in 2018**

On 01.01 2018 the Supervisory Board members were as follows: Cristian Eugen RADU, Marius Iulian CARABULEA, Beatrice AMBRO, Faustin Doru SCINTEI, Sorin Alin MITRICA, Fanel MIHALCEA and Bogdan BOBORA.

In 2018 the following changes occurred in the Supervisory Board's membership:

- Decision 1/10.01.2018 of the Shareholders' general assembly recalled Mrs. Beatrice AMBRO and appointed Mr. Constantin DUMITRU as provisional Supervisory Board member with mandate until 30 March 2018.

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<sup>1</sup> Date of the AGA Decision approving the new remuneration

- Decision 4/29.03.2018 of the Shareholders' general assembly appointed for a 2 months' mandate the following provisional Supervisory Board members: Cristian Eugen RADU, Liviu ILASI, Constantin DUMITRU, Fanel MIHALCEA, Ion CIUCULETE, Gheorghe OLTEANU and Sorin Alin MITRICA. Their mandate began on 31 March 2018.
- Decision 7/29.05.2018 of the Shareholders' general assembly appointed for a 4 months' mandate the following provisional Supervisory Board members: Gheorghe OLTEANU, Ion CIUCULETE, Liviu ILASI, Adrian MITROI, Sorin Alin MITRICA, Fanel MIHALCEA and Constantin DUMITRU. Their mandate began on 31 May 2018.
- Decision 11/28.09.2018 of the Shareholders' general assembly appointed for a 2 months' mandate the following provisional Supervisory Board members: Gheorghe OLTEANU, Ion CIUCULETE, Liviu ILASI, Adrian MITROI, Sorin Alin MITRICA, Fanel MIHALCEA and Constantin DUMITRU. Their mandate began on 30 September 2018.
- Decision 13/26.11.2018 of the Shareholders' general assembly appointed for a 4 months' mandate the following provisional Supervisory Board members: Gheorghe OLTEANU, Ion CIUCULETE, Liviu ILASI, Adrian MITROI, Sorin Alin MITRICA, Fanel MIHALCEA and Constantin DUMITRU. Their mandate began on 30 November 2018.

#### **IV. Amounts calculated for the remuneration of non-executive administrators (Supervisory board) in 2018**

In accordance with the applicable legal and contractual provisions, the amounts for the fixed remuneration owed to Supervisory board members calculated in 2018 are provided in the following table (sums provided in gross monthly amounts). Provisional Supervisory board members do not benefit of variable component in their remuneration.

Nr. crt.	Nume și prenume	IAN 2018	FEB 2018	MAR 2018	APR 2018	MAI 2018	IUN 2018	IUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	TOTAL 2018
1	RADU CRISTIAN-EUGEN	4435	4435	5319	5319	5319	0	0	0	0	0	0	0	24827
2	BOBORA BOGDAN	4435	4435	5319	0	0	0	0	0	0	0	0	0	14189
3	CARABULEA MARIUS-IULIAN	4435	4435	5319	0	0	0	0	0	0	0	0	0	14189
4	AMBRO BEATRICE	4435	0	0	0	0	0	0	0	0	0	0	0	4435
5	MITRICA ALIN-SORIN	4435	4435	5319	5319	5319	5319	5319	5319	5319	5319	5319	5319	62060
6	MIHALCEA FANEL	4435	4435	5319	5319	5319	5319	5319	5319	5319	5319	5319	5319	62060
7	SCINTEI FAUSTIN-DORU	4435	4435	5319	0	0	0	0	0	0	0	0	0	14189
8	DUMITRU CONSTANTIN	4435	4435	5319	5319	5319	5319	5319	5319	5319	5319	5319	5319	62060
9	CIUCULETE ION	0	0	0	5319	5319	5319	5319	5319	5319	5319	5319	5319	47871
10	ILASI LIVIU	0	0	0	5319	5319	5319	5319	5319	5319	5319	5319	5319	47871
11	OLTEANU GHEORGHE	0	0	0	5319	5319	5319	5319	5319	5319	5319	5319	5319	47871
12	MITROI ADRIAN	0	0	0	0	0	5319	5319	5319	5319	5319	5319	5319	37233
	<b>TOTAL</b>	<b>35480</b>	<b>31045</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>37233</b>	<b>438855</b>

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In the application of Decision 1/2015 of AGOA, the 2018 variable component (for mandates expiring on 31.05.2017) consisting of the performance bonus depending on the profitability of Transelectrica's shares for company shareholders is provided in the table below.

Numele si prenumele	Data intrare	Nr. OAVT	Data acordarii	Transa	Valoare transa	PMA 2018	PMA 2017	PMA 2016	DIV 2018	DIV 2017	DIV 2016	DIV 2015	PMA 2015	PMA 2014	Valoare
Radu Stefan CERNOV	13.11.2014	11671	25.01.2016	1 si 2 si 3	11671	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	23106
Costin MIHALACHE	19.03.2015	60000	15.11.2015	3	20000	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	39596
Costin MIHALACHE	19.03.2015	60000	15.11.2016	2	20000	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	-75154
Dorin-Alexandru BADEA	30.08.2016	12492	30.08.2016	3	4164	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	8244
Dragos-Corneliu ZACHIA-ZLATEA	09.11.2015	69738	29.03.2016	3	23246	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	46022
Daniel-Cristian PIRVULESCU	01.08.2014	60000	15.11.2015	3	20000	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	39596
Ovidiu-Petrisor ARTOPOLESCU	29.11.2012	60000	15.11.2015	3	20000	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	39596
Carmen-Georgeta NEAGU	01.07.2013	9247	30.12.2015	3	3082	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	6102
Radu BUGICA	29.11.2012	60000	15.11.2015	3	20000	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	39596
Valeriu-Stefan IVAN	01.04.2017	35507	13.04.2017	2	11836	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	-44475
													TOTAL		122230

In accordance with the capitalisation demands submitted by former Supervisory board members (Carmen-Georgeta NEAGU, Ovidiu-Petrisor ARTOPOLESCU, Costin MIHALACHE, Daniel-Cristian PIRVULESCU, Radu BUGICA, Dragos-Corneliu ZACHIA-ZLATEA, Radu-Stefan CERNOV, Dorin-Alexandru BADEA and Valeriu-Stefan IVAN) on 15.11.2018, calculations were made for the value of OAVT-s capitalised in due time (provided in the following tables).

## Package 1

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Nume si prenume	OAVT disponibile	Transa OAVT	PMA 2013	PMA 2014	PMA 2015	PMA 2016	DIV 2014	DIV 2015	DIV 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2014	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2015	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2016	Valoarea absoluta bruta aferenta OAVT valorificate platite efectiv in 2014	Valoarea absoluta bruta aferenta OAVT valorificate platite efectiv in 2015	Valoarea absoluta bruta aferenta OAVT valorificate platite efectiv in 2016
Neagu Carmen Georgeta	90.000	30.000	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	0	536.445	1.417.140	0	0	0
Artopoulos Ovidiu Petrisor	90.000	30.000	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	470.508	0	1.417.140	0	0	0
Bugica Radu	90.000	30.000	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	0	0	2.125.710	0	0	0
Pogonaru Andrei Mihai	90.000	30.000	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	0	1.072.890	708.570	0	0	0
Teau Ion Toni	90.000	30.000	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	470.508	536.445	708.570	0	0	0
Sandu Danut	90.000	30.000	13,1484	15,6426	25,9986	29,0861	0	2,8033	2,6500	224.478	0	0	0	0	0
Cernov Radu Stefan	46.849	15.616	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	0	0	1.106.534	0	0	0
Chimirel Catalin Lucian	28.848	9.616	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	150.813	171.949	227.120	0	0	0
Pirvulescu Daniel Cristian	28.848	9.616	13,1484	26,6040	25,9986	29,0861	2,228	2,8033	2,6500	0	343.897	227.120	0	0	0
<b>Total</b>	<b>644.545</b>	<b>214.848</b>								<b>1.316.307</b>	<b>2.661.626</b>	<b>7.937.905</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Package 2

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Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2017	PMA 2016	PMA 2015	PMA 2014	DIV 2015	DIV 2016	DIV 2017	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2015	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2017	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2015	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2016	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2017
Neagu Carmen Georgeta	90.000	30.000	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	0	476.124	289.692	0	0	0
Artopolescu Ovidiu Petrisor	90.000	30.000	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	65.937	238.062	289.692	0	0	0
Bugica Radu	90.000	30.000	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	0	0	869.076	0	0	0
Cernov Radu Stefan	90.000	30.000	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	0	0	869.076	0	0	0
Privulescu Daniel Cristian	90.000	30.000	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	0	0	869.076	0	0	0
Mihalache Costin	38.466	12.822	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	28.181	101.748	123.814	28.181	101.748	0
Pogonaru Andrei Mihal	18.986	6.329	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	13.910	50.223	61.115	0	0	0
Chimirel Catalin Lucian	63.123	21.041	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	0	333.938	203.180	0	0	0
Zachia-Zlatea Dragos Corneliu	986	329	28.5501	29.0861	25.9986	26.6040	2.8033	2.6500	2.2570	0	5.218	3.175	0	5.216	0
<b>Total</b>	<b>571.561</b>	<b>190.521</b>								<b>108.028</b>	<b>1.205.312</b>	<b>3.577.896</b>	<b>28.181</b>	<b>106.964</b>	<b>0</b>

## Package 3

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Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2018	PMA 2017	PMA 2016	DIV 2018	DIV 2017	DIV 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2016	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2017	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2017	Valoarea absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2018	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2017
Neagu Carmen Georgeta	9.247	3.082	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	17.685	17.685	22990	0	6102	0
Artopolescu Ovidiu Petrisor	60.000	20.000	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	114.750	114.750	149170	0	39596	0
Bugica Radu	60.000	40.000	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	0	0	298340	0	39596	0
Cernov Radu Stefan	11.671	11.671	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	0	0	0	0	23106	0
Privulescu Daniel Cristian	60.000	20.000	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	114.750	114.750	149170	0	39596	0
Mihalache Costin	60.000	20.000	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	114.750	114.750	149170	0	39596	0
Zachia-Zlatea Dragos Corneliu	69.738	23.246	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	133.374	133.374	173380	0	46022	0
Badea Dorin-Alexandru	12.492	4.164	23.0714	28.5501	29.0861	0,0000	2,257	2,6500	23.891	23.891	31057	0	8244	0
<b>Total</b>	<b>343.148</b>	<b>142.163</b>							<b>519.200</b>	<b>519.200</b>	<b>973.277</b>	<b>0</b>	<b>241.858</b>	<b>0</b>

## Package 4

## Lei

Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2018	PMA 2017	PMA 2016	DIV 2018	DIV 2017	DIV 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2017	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2017	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2018	Valoarea absoluta bruta aferenta OAVT-urilor valorificate platite efectiv in 2018
Mihalache Costin	60.000	20.000	23.0714	28.5501	29.0861	0,0000	2,2570	2,6500	34.420	0	-75.154	0
Ivan Valeriu-Stefan	35.507	11.836	23.0714	28.5501	29.0861	0,0000	2,2570	2,6500	20.369	0	-44.475	0
<b>Total</b>	<b>95.507</b>	<b>31.836</b>							<b>54.789</b>	<b>0</b>	<b>-119.629</b>	<b>0</b>

The amounts for packages 2 and 3 paid in 2015 and 2016 correspond to the certificates issued after 23 March 2015, date when the general limits were set for the variable component in the remunerations of Supervisory board members under Decision 1/23.03.2015 of AGOA.

From all the demands submitted for 2017 and 2018 no demand was satisfied.

Capitalisation demands submitted in November 2017 and 2018 have not been paid until the date of this report since they are under verification for compliance with the procedural, legal and contractual condition.

Financial statements elaborated on 31.12.2017 and 2018 contain now a provision registered for the variable component associated to OAVT packages based on the demands / notifications / summons to court of former Supervisory board members, the amount being determined using the values known on the reference dates applicable to capitalised OAVTs and also to an actuarial calculation in accordance with the applicable IFRS standards (IFRS 2) for OAVT-s non-capitalised at the end of the financial year.

## 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 53<sup>18</sup> para (2) of the Company Law 31/1990, republished, with later amendments and additions, the competence to establish the remuneration of directorate members belongs to the supervisory board.

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

Mention should be made of the following items:

- (i) OUG 109/2011 underwent significant changes including the supervisory board's remuneration as effect of the approval Law 111/2016 (effective date: 4 June 2016);
- (ii) In accordance with Law 111/2016 (article II), the mandate contracts of directorate members are subject to the legislation applicable on their conclusion date, unless the parties agree with amending them according to Law 111/2016. In actual terms Supervisory board members whose contracts were concluded before 4 June 2016 did not conclude addendums in this respect.
- (iii) On 16.09.2017 ended the 4 years' mandates of Directorate members appointed by Supervisory board Decision 30/17.09.2014. Beginning with 17.09.2017 the Supervisory board appointed provisional Directorate members with limited mandate until completing the selection procedure for Directorate members according to this norm, procedure subsequent to AGA's appointment of Supervisory board members. **The provisional Directorate members appointed after 17.09.2017 do not benefit of variable component in their remuneration.**

The main provisions of OUG 109/2011, relevant for the remuneration of directorate members are as follows:

- The remuneration of directorate members is established by the supervisory board

having the structure and limits provided in OUG 109/2011 (article 38 para (4) of OUG 109/2011);

- Directorate members' remuneration consists of fixed monthly indemnification and variable component (article 38 para (2) of OUG 109/2011);
- The fixed monthly indemnification cannot exceed 6 times the 12 months' average mean of the gross monthly average wage gain for the activities performed in accordance with the registered main business of the company at class level according to the classification of national economy's activities notified by the National Statistics Institute before appointment (article 38 para (2) compared to article 37 para (3) of OUG 109/2011);
- The variable component of such remuneration consists of participation to the company's net profit, share granting, stock-options or similar scheme, a pension scheme or another remuneration form based on performance indicators (article 38 para (2) of OUG 109/2011). The provision is applicable beginning with 4 June 2016, before this date the phrasing was "participation share to the company's net profit, a pension scheme or another form of remuneration based on performance indicators".
- The remuneration and other benefits provided to directorate members will be registered in the annual financial statements and in the annual report of the nomination and remuneration committee, while the remuneration policy and criteria for supervisory board and directorate members are made public on the public enterprise's internet page, by care of the supervisory board (article 39 of OUG 109/2011).

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

In accordance with the mandate contracts concluded between the Company and Directorate members, they benefit of remuneration consisting of fixed gross monthly indemnification and do not benefit of variable component.

The fixed gross monthly indemnification owed to Directorate members on 01.01.2018 - 28.01.2018 during their provisional members' mandate was in quantum of 26,000 Lei gross/month. The Directorate member occupying the position of Directorate Chairman / executive Director general / CEO benefits of indemnification in quantum de 28,000 Lei gross/month.

The fixed gross monthly indemnification owed to Directorate members on 29.01.2018<sup>2</sup>- 30.09.2018 during their provisional members' mandate is in quantum of 31,200 Lei gross/month. The Directorate member occupying the position of Directorate Chairman / executive Director general / CEO benefits of indemnification in quantum of 33,600 Lei gross/month.

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<sup>2</sup> Date of the SB Decision approving the new remuneration



### **3. Actual situation – events impacting the remuneration of executive administrators - Directorate – in 2018**

On 01.01 2018 the Directorate members were as follows: Georgeta Corina POPESCU (Chairperson), Andreea Georgiana FLOREA, Dan Valeriu ARDELEAN, Florin Cristian TATARU and Mircea-Toma MODRAN. They were elected in accordance with the provisions of OUG 109/2011 regarding the corporative governance of public enterprises.

In 2018 the following changes occurred in the Directorate membership:

- In accordance with article 642 para (1) of OUG 109/2011 regarding the corporative governance of public enterprises, with later amendments and additions, Decision 1/15.01.2018 of the Supervisory Board extended for 2 months the provisional capacity of the following Directorate members: Georgeta-Corina POPESCU, Mircea-Toma MODRAN, Dan-Valeriu ARDELEAN, Florin-Cristian TATARU and Andreea Georgiana FLOREA.
- In accordance with article 64<sup>2</sup> of OUG 109/2011, Decision 21/14.03.2018 of the Supervisory Board designated the following provisional Directorate members: Georgeta-Corina POPESCU, Andreea Georgiana FLOREA, Dan-Valeriu ARDELEAN and Florin-Cristian TATARU. Their mandate was on 4 months, namely until 16.07.2018.
- In accordance with article 64<sup>2</sup> of OUG 109/2011, Decision 37/20.04.2018 of the Supervisory Board designated Mr. Adrian Constantin RUSU as provisional Directorate member. His mandate term was established until 16.07.2018.
- Beginning with 01.06.2018 Georgeta-Corina POPESCU gave up her mandate of Directorate member.
- In accordance with article 64<sup>2</sup> of OUG 109/2011, Decision 58/08.06.2018 of the Supervisory Board designated Mr. Constantin SARAGEA as provisional Directorate member. His mandate term was established until 16.07.2018.
- In accordance with article 64<sup>2</sup> of OUG 109/2011, Supervisory Board's Decision 64/11.07.2018 extended by 2 months until 16.09.2018 the mandates of the following provisional Directorate members: Adrian Constantin RUSU, Andreea Georgiana FLOREA and Constantin SARAGEA and also designated Messrs. Adrian-Mircea TEODORESCU and Viorel VASIU as provisional Directorate members for 2 months' mandate until 16.09.2018.
- In accordance with article 64<sup>2</sup> of OUG 109/2011, Supervisory Board's Decision 77/24.08.2018 designated Adrian Constantin RUSU, Andreea Georgiana FLOREA, Constantin SARAGEA, Adrian-Mircea TEODORESCU and Viorel

VASIU as provisional Directorate members for a 4 months' mandate beginning with 17.09.2018.

- Decision 93/23.11.2018 of the Supervisory Board recalled Mr. Constantin SARAGEA from his position of provisional Directorate member beginning with 23.11.2018.
- In accordance with article 64<sup>2</sup> of OUG 109/2011, Supervisory Board's Decision 101-105/21.12.2018 designated Marius Danut CARASOL, Andreea Georgiana FLOREA, Constantin SARAGEA, Claudia-Gina ANASTASE and Adrian SAVU as provisional Directorate members for a 4 months' mandate beginning with 21.12.2018.

#### 4. Amounts calculated for the remuneration of executive administrators (Directorate) in 2018

In accordance with the legal and contractual provisions applicable on 31.12.2018, the amounts corresponding to the fixed and variable remuneration owed to Directorate members calculated for 2018 are provided further. Provisional Directorate members do not benefit of variable component in their remuneration.

Nr. crt.	Nume și prenume	IAN 2018	FEB 2018	MAR 2018	APR 2018	MAI 2018	IUN 2018	IUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	TOTAL 2018
1	POPESCU CORINA GEORGETA	28280	33600	33600	33600	31543	0	0	0	0	0	0	0	160623
2	MODRAN MIRCEA TOMA	26260	31200	17018	0	0	0	0	0	0	0	0	0	74478
3	FLOREA ANDREEA GEORGIANA	26260	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	369460
4	ARDELEAN DAN VALERIU	26260	31200	31200	31200	31200	31200	15600	0	0	0	0	0	197860
5	TATARU FLORIN CRISTIAN	26260	31200	31200	31200	31200	31200	15600	0	0	0	0	0	197860
6	RUSU ADRIAN CONSTANTIN	0	0	0	11495	33257	33600	33600	33600	33600	33600	33600	24758	271110
7	SARAGEA CONSTANTIN	0	0	0	0	0	17160	31200	31200	31200	31200	23771	8211	173942
8	TEODORESCU ADRIAN MIRCEA	0	0	0	0	0	0	15600	31200	31200	31200	31200	22989	163389
9	VASIU VIOREL	0	0	0	0	0	0	15600	31200	31200	31200	31200	22989	163389
10	CARASOL MARIUS DANUT	0	0	0	0	0	0	0	0	0	0	0	8842	8842
11	ANASTASE CLAUDIA GINA	0	0	0	0	0	0	0	0	0	0	0	8211	8211
	<b>TOTAL</b>	<b>133320</b>	<b>158400</b>	<b>144218</b>	<b>138695</b>	<b>158400</b>	<b>144360</b>	<b>158400</b>	<b>158400</b>	<b>158400</b>	<b>158400</b>	<b>150971</b>	<b>127200</b>	<b>1789164</b>

In the application of Decision 1/2015 of AGOA, the 2018 variable component (for mandates expiring on 17.09.2017) consisting of the performance bonus depending on the profitability of Transelectrica's shares for company shareholders is provided in the table below.

Numele si prenumele	Data intrare	Nr. OAVT	Data acordarii	Transa	Valoare transa	PMA 2018	PMA 2017	PMA 2016	DIV 2018	DIV 2017	DIV 2016	DIV 2015	PMA 2015	PMA 2014	Valoare
Luca Nicolae IACOBICI	26.05.2016	35046	26.05.2016	3	11682	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	23128
Luca Nicolae IACOBICI	26.05.2016	13962	26.09.2016	3	4654	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	9214
Ion SMEEIANU	12.05.2015	54705	25.05.2016	3	18235	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	36102
Catalin-Lucian CHIMIREL	29.07.2015	54705	25.05.2016	3	18235	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	36102
Ion-Toni TEAU	11.05.2014	156000	15.11.2015	3	52000	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	102950
Constantin VADUVA	22.11.2012	104000	15.11.2015	3	34667	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	68633
Mircea-Toma MODRAN	01.12.2016	99441	25.05.2016	2	33147	23,0714	28,5501	29,0861	0	2,257	2,65	2,8033	25,9986	26,604	-124556

In accordance with the capitalisation demands of former Directorate members on 15.11.2018 (Luca-Nicolae IACOBICI, Ion SMEEIANU, Catalin-Lucian CHIMIREL, Ion-Toni

TEAU, Constantin VADUVA, Mircea-Toma MODRAN) according to their mandate provisions calculations were made for the value of OAVT-s capitalised in due time (provided in the tables below).

## Package 1

Lei

Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2013	PMA 2014	PMA 2015	PMA 2016	DIV 2014	DIV 2015	DIV 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2014	Valoare absoluta bruta aferenta OAVT-uri pentru care s-a depus cerere de valorificare in 2015	Valoare absoluta bruta aferenta OAVT-uri pentru care s-a depus cerere de valorificare in 2016	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2014	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2014	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2014
Toni Teau	92.712	30.904	17.9344	26.6040	25.9986	29.0861	2.2280	2.8033	2.6500	336.781	404.705	582.017	0	0	0
Constantin Vaduva	156.000	52.000	17.9344	26.6040	25.9986	29.0861	2.2280	2.8033	2.6500	566.675	680.966	979.316	0	0	0
Octavian Lohan	81.633	27.211	17.9344	26.6040	25.9986	29.0861	2.2280	2.8033	2.6500	296.534	356.341	512.464	0	0	0
Ciprian Diaconu	156.000	52.000	17.9344	26.6040	25.9986	29.0861	2.2280	2.8033	2.6500	566.675	680.966	979.316	0	0	0
George Visan	81.633	27.211	17.9344	26.6040	25.9986	29.0861	2.2280	2.8033	2.6500	296.534	356.341	512.464	0	0	0
<b>Total</b>	<b>567.978</b>	<b>189.326</b>								<b>2.063.199</b>	<b>2.479.319</b>	<b>3.565.577</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Package 2

Lei

Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2014	PMA 2016	PMA 2017	DIV 2015	DIV 2016	DIV 2017	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2015	Valoare absoluta bruta aferenta OAVT-uri pentru care s-a depus cerere de valorificare in 2016	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2015	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2016	Valoare absoluta bruta aferenta OAVT-uri pentru care s-a depus cerere de valorificare in 2017	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2017
Toni Teau	180.000	60.000	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	131.674	476.124	0	0	579384	0
Constantin Vaduva	156.000	52.000	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	114.291	412.641	0	0	502133	0
Catalin Chimirel	31.056	10.353	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	22.753	82.147	22.753	82.147	99968	0
Ion Smeleanu	53.282	17.761	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	0	281.881	0	281.881	171505	0
Octavian Lohan	156.000	52.000	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	114.291	412.641	0	0	502133	0
Ciprian Diaconu	40.603	13.534	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	29.747	107.400	0	0	130692	0
George Visan	41.030	13.677	26.6040	29.0861	28.5501	2.8033	2.6500	2.2570	30.060	108.530	0	0	132068	0
<b>Total</b>	<b>657.971</b>	<b>219.324</b>							<b>443.016</b>	<b>1.881.363</b>	<b>22.753</b>	<b>364.028</b>	<b>2117883</b>	<b>0</b>

## Package 3

Lei

Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2018	PMA 2017	PMA 2016	DIV 2018	DIV 2017	DIV 2016	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2016	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2016	Valoare absoluta bruta aferenta OAVT-uri pentru care a fost depusa cerere de valorificare in 2017	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2017	Valoare absoluta bruta aferenta OAVT-uri pentru care a fost depusa cerere de valorificare in 2018	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2018
Toni Teau	156.000	52.000	23.0714	28.5501	29.0861	0.0000	2.2570	2.6500	298.350	298.350	387.842	0	102.950	0
Constantin Vaduva	104.000	34.667	23.0714	28.5501	29.0861	0.0000	2.2570	2.6500	198.900	198.900	258.561	0	68.633	0
Catalin Chimirel	54.705	18.236	23.0714	28.5501	29.0861	0.0000	2.2570	2.6500	104.623	104.623	136.006	0	36.102	0
Ion Smeleanu	54.705	18.236	23.0714	28.5501	29.0861	0.0000	2.2570	2.6500	104.623	104.623	136.006	0	36.102	0
Luca-Nicolae Iacobici	49.008	16.336	23.0714	28.5501	29.0861	0.0000	2.2570	2.6500	93.728	93.728	121.842	0	32.342	0
<b>Total</b>	<b>418.418</b>	<b>139.475</b>							<b>800.224</b>	<b>800.224</b>	<b>1.040.257</b>	<b>0</b>	<b>276.129</b>	<b>0</b>

## Package 4

Lei

Nume si prenume	OAVT disponibil	Transa OAVT	PMA 2017	PMA 2016	DIV 2017	Valoare absoluta bruta aferenta OAVT pentru care a fost depusa cerere de valorificare in 2017	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2017	Valoare absoluta bruta aferenta OAVT-uri pentru care a fost depusa cerere de valorificare in 2018	Valoarea absoluta bruta aferenta OAVT-uri valorificate platite efectiv in 2018
Mircea-Toma Modran	99.441	33.147	28.5501	29.0861	2.2570	57.046	0	-124.556	0
<b>Total</b>	<b>99.441</b>	<b>33.147</b>				<b>57.046</b>	<b>0</b>	<b>-124.556</b>	<b>0</b>

The amounts for packages 2 and 3 paid in 2015 and 2016 correspond to the certificates issued after 23 March 2015, date when the general limits were set for the variable component in the remunerations of Directorate members under Decision 1/23.03.2015 of AGOA.

From all the demands submitted for 2017 and 2018 no demand was satisfied.

Capitalisation demands submitted in November 2017 and 2018 have not been paid until the date of this report since they are under verification for compliance with the procedural, legal and contractual condition.

Financial statements elaborated on 31.12.2017 and 2018 contain now a provision registered for the variable component associated to OAVT packages based on the demands / notifications / summons to court of former Directorate members, the amount being determined using the values known on the reference dates applicable to capitalised OAVT-s and also to an actuarial calculation in accordance with the applicable IFRS standards (IFRS 2) for OAVT-s non-capitalised at the end of the financial year.

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

Constantin Dumitru, Chairman