



Transelectrica®
Societate Administrată în Sistem Dualist

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

No. _____ / __.03.2020

To: Shareholders' General Assembly

REPORT

**of the Nomination and Remuneration Committee from the Supervisory Board
of National Power Grid Company Transelectrica SA („Company”) regarding the
remunerations of supervisory board's and directorate's members in the financial
year 2019**

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 („AGA”).

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 2019, the following changes occurred in the **Supervisory Board's membership**:

- on **01.01.2019** the Supervisory Board members were as follows: **Gheorghe Olteanu, Ion Ciuculete, Liviu Ilași, Adrian Mitroi, Alin-Sorin MITRICĂ, Fănel Mihalcea and Constantin Dumitru**.
- AGA Decisions no. 4, 5, 6, 7, 8, 9 and 10/29.03.2019 appointed, beginning with **30.03.2019**, the following Supervisory Board members: **Adrian Mitroi, Alin-Sorin MITRICĂ, Constantin Dumitru, Mihaela Toader, Mihaela Constantinovici, Mircea Coșea and Nina Carmen Crișu**, their mandate ending on **29.05.2019**.
- by Supervisory Board Decision no. 14/08.04.2019, the non-acceptance of the mandate by Nina Carmen Crișu is noted, appointed by AGA Decision no. 10/2019 and **Florin Ciocănelea** is appointed as provisional member, his mandate ending on **29.05.2019**.

- AGA Decision no. 14/14.05.2019 appointed, beginning with **30.05.2019**, the following Supervisory Board members: **Adrian Mitroi, Alin-Sorin MITRICĂ, Constantin Dumitru, Mihaela Toader, Mihaela Constantinovici, Mircea Coșea and Florin Ciocănelea**, their mandate ending on **29.09.2019**.
- AGA Decisions no. 16, 17, 18, 19, 20, 21 and 22/20.09.2019 appointed, beginning with **30.09.2019**, the following Supervisory Board members: **Adrian Mitroi, Petru Tarniceru, Ionică Bădilă, Mihaela Toader, Mihaela Constantinovici, Mircea Coșea and Florin Ciocănelea**, their mandate ending on **29.11.2019**.
- AGA Decisions no. 24, 25, 26, 27, 28, 29 and 30/26.11.2019 appointed, beginning with **30.11.2019**, the following Supervisory Board members: **Luiza Popescu, Sebastian Burduja, Jean Badea, Jean Comănescu, Oleg Burlacu, Adrian Goicea and Manuela Stan Olteanu**, their mandate ending on **29.03.2020**.
- by Supervisory Board Decision no. 81/13.12.2019, the non-acceptance of the mandate by Manuela Stan Olteanu is noted.
- by Supervisory Board Decision no. 88/18.12.2019, the resignation of Sebastian Burduja is noted.

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

The Supervisory Board members benefit of a fixed gross monthly remuneration, set by the shareholders' general assembly, in accordance with the applicable legal provisions.

Until 29.11.2019, the maximum fixed gross monthly indemnification owed to Supervisory Board members during the provisional members' mandate was established by the AGA Decision no. 3/05.03.2018, in quantum of 5,319 lei gross/month.

Starting with 30.11.2019, the maximum fixed gross monthly indemnification owed to Supervisory Board members during the provisional members' mandate was established by the AGA Decision no. 31/26.11.2019, in quantum of 13,976 gross lei/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.

In accordance with the applicable legal and contractual provisions, the amounts for the fixed remuneration owed to Supervisory board members calculated in 2019 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 2019	FEB 2019	MAR 2019	APR 2019	MAI 2019	IUN 2019	IUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	TOTAL 2019
1	Mitrica Alin Sorin	5319	5319	5319	5319	5319	5319	5319	5319	5319				47871
2	Mihalcea Fanel	5319	5319	5319										15957
3	Dumitru Constantin	5319	5319	5319	5319	5319	5319	5319	5319	5319				47871
4	Olteanu Gheorghe	5319	5319	5319										15957
5	Ciuculete Ion	5319	5319	5319										15957
6	Ilasi Liviu	5319	5319	5319										15957
7	Mitroi Adrian	5319	5319	5319	5319	5319	5319	5319	5319	5319	5319	5319		58509
8	Toader Mihaela Virginia				5319	5319	5319	5319	5319	5319	5319	5319		42552
9	Constantinovic Mihaela				5319	5319	5319	5319	5319	5319	5319	5319		42552
10	Cosea Dumitru-Gheorghe-Mircea				5319	5319	5319	5319	5319	5319	5319	5319		42552
11	Ciocanalea Florin-Radu				5319	5319	5319	5319	5319	5319	5319	5319		42552
12	Tarniceru Petru										5319	5319		10638
13	Badila Ionica										5319	5319		10638
14	Burduja Sebastian-Ioan												7213	7213
15	Burlacu Oleg												13976	13976
16	Comanescu Jean-Valentin												13976	13976
17	Gocea Adrian												13976	13976
18	Badea Jean												13976	13976
19	Popescu Luiza												13976	13976
	TOTAL	37233	37233	37233	37233	37233	37233	37233	37233	37233	37233	37233	77093	486656

Regarding the performance bonus depending on the profitability of Transelectrica's shares for company shareholders, in November 2019, no request to redeem OAVT was filed by former members of the Supervisory Board.

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 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.

In 2019, the following changes occurred in the **Directorate's membership**:

- on **01.01.2019** the Directorate members were as follows: **Marius Carașol, Andreea Georgiana Florea, Constantin Saragea, Claudia Anastase and Adrian Savu.**
- Supervisory Board Decision no. 20/11.04.2019 extended, beginning with **21.04.2019**, the provisional capacity of the following Directorate members: **Marius Carașol, Andreea Georgiana Florea, Constantin Saragea, Claudia Anastase și Adrian Savu**, until **20.06.2019**.
- SB Decisions no. 31, 32, 33, 34 and 35/04.06.2019 designated, beginning with **21.06.2019**, the following provisional Directorate members: **Marius Carașol, Alina Teodoru, Andreea Georgiana Florea, Claudia Anastase and Adrian Savu**, until **20.10.2019**.
- SB Decision no. 54/19.09.2019 revoked, starting with **19.09.2019**, **Marius Carașol**, Directorate member.
- SB Decision no. 60/16.10.2019 extended, starting with **21.10.2019**, the mandates of the following provisional Directorate members: **Claudia Anastase, Andreea Florea and Adrian Savu**, until **20.12.2019**.
- SB Decision no. 61/16.10.2019 designated, starting with **21.10.2019**, the following provisional Directorate members: **Virgiliu Ivan and Luca Iacobici**, until **20.12.2019**.

- SB Decisions no. 75, 76, 77, 78 and 79/13.12.2019 designated, starting with **21.12.2019**, the following provisional Directorate members: Cătălin Nițu, Ionuț Bogdan Grecia, Adrian Moise, Ioan Folescu and Andreea Miu, until **20.04.2020**.

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

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

In 2019, the Directorate members had a fixed gross monthly indemnification, established by the Supervisory Board in accordance with the legal provisions in force, as follows:

- Directorate Chairman indemnification -33,200 lei gross/month;
- Directorate members indemnification -31,600 lei gross/month.

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 2019 are provided further. Provisional Directorate members do not benefit of variable component in their remuneration.

Nr. crt.	Nume și prenume	IAN 2019	FEB 2019	MAR 2019	APR 2019	MAI 2019	IUN 2019	IUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	TOTAL 2017
1	Florea Andreea Georgiana	7800	29697	31200	31200	31200	31200	31200	31200	31200	31200	31200	23400	341697
2	Saragea Constantin	31200	31200	31200	31200	31200	21347							177347
3	Carasol Marius Danut	33600	33600	33600	33600	33600	33600	33600	33600	20800				289600
4	Anastase Claudia Gina	31200	31200	31200	31200	31200	31200	31200	31200	32114	33600	33600	25200	374114
5	Savu Adrian	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	31200	23400	366600
6	Teodoru Alina Elena						9853	31200	31200	31200	18991			122444
7	Iacobici Luca Nicolae										12209	31200	23400	66809
8	Ivan Virgiliu										12209	31200	23400	66809
9	Nitu Catalin												8400	8400
10	Grecia Ionut Bogdan												7800	7800
11	Miu Andreea Mihaela												7800	7800
12	Folescu Ioan												7800	7800
13	Moise Adrian												7800	7800
14	TOTAL	135000	156897	158400	158400	158400	158400	158400	158400	146514	139409	158400	158400	1845020

Regarding the performance bonus depending on the profitability of Transelectrica's shares for company shareholders, in November 2019, one request to redeem OAVT was filed by former Directorate members:

Numele si prenumele	Nr. OAVT acordate	Data acordarii OAVT	Transa valorificabila	Valoare transa	PMA 2019	PMA 2016	DIV 2019	DIV 2018	DIV 2017	Valoare
0	1	2	3	4	5	6	7	8	9	10=(5+7+8+9-6)*4
Mircea-Toma MODRAN	99441	25.05.2016	3	33147	19,960952	29,0861	0,91	0	2,257	-197495

Nomination and Remuneration Committee,

Luiza POPESCU

Adrian GOICEA

Ciprian Constantin DUMITRU

Jean-Valentin COMĂNESCU

Oleg BURLACU

Mihaela CONSTANTINOVICI

Mircea Cristian STAICU