

**To the: Bucharest Stock Exchange – Department of Operations Issuers Regulated Markets
Financial Supervision Authority - General Directorate Supervision - Issuers Division**

Current report according to the provisions of Law 24/2017, ASF Regulation 5/2018 and the BVB Code

Date of the report: **26 July 2018**

Name of Issuer Company: **CNTEE TRANSELECTRICA SA, company managed under Two-tier System**

Headquarters: Bucharest 1, Blvd. Magheru no. 33

Working location: Bucharest 3, Str. Olteni no. 2-4

Phone / fax numbers: 4021 3035 611 / 4021 3035 610

Single registration code: 13328043

LEI Code: 254900OLXCOUQC90M036

Number in the Commercial Register: J40/8060/2000

Share capital subscribed and paid: 733,031,420 Lei

Regulated market where the issued securities are transacted: Bucharest Stock Exchange

Communiqué – Report in accordance with art. 144 lit. B par. (4) of the ASF Regulation no. 5/2018

The National Power Grid Company "Transelectrica" SA informs the interested public about the fact that the Company's external auditor issued the Limited Independent Insurance Report on the transactions reported by the Company during the first half of 2018, according to the provisions of art. 82, Law no. 24/2017. The limited insurance independent report of Delloite Audit SRL, attached to this release, is also available online on Transelectrica's website, www.transelectrica.ro, Investor Relations - Current Reports section, respectively <https://www.transelectrica.ro/en/web/tel/raportari-curente>;

Adrian – Constantin RUSU

**Executive Director General
Directorate Chairman**

Andreea – Georgiana FLOREA

Directorate Member

LANGUAGE DISCLAIMER: This document represents the English version of the original official Romanian document filed with the Financial Supervisory Authority ASF. The English version has been created for English readers' convenience. Reasonable efforts have been made to provide an accurate translation, however, discrepancies may occur. The Romanian version of this document is the original official document. Any discrepancies or differences created in the translation are not binding. If any questions arise related to the accuracy of the information contained in the English version, please refer to the Romanian version of the document which is the official version.

**INDEPENDENT REPORT OF LIMITED ASSURANCE OVER THE INFORMATION
INCLUDED IN THE CURRENT REPORTS ISSUED BY THE COMPANY IN ACCORDANCE
WITH THE PROVISIONS OF LAW NO. 24/2017 AND REGULATION NO. 5/2018**

To the Directorate,
C.N.T.E.E. Transelectrica S.A.

- 1 We have been appointed by C.N.T.E.E. Transelectrica S.A. („the Company”) to report on the information included in the current reports from 18 January 2018, 20 February 2018, 2 April 2018 and 2 July 2018, issued by the Company in accordance with the provisions of the Issuers of financial instruments law no. 24/2017 („Law no. 24/2017”) and of the Regulation no. 5/2018 of the Financial Supervisory Authority („ASF”) regarding the issuers and operations on the stock exchange, („Reports” or „Current Reports”) as an independent conclusion of limited assurance according to which, based on the procedures performed, nothing came to our attention to make us believe that the reported transactions included in the Current Reports are not in accordance, under all material aspects, with art. 144, point B, paragraph 4 from the Regulation no. 5/2018. All Current Reports have been prepared by the Company’s management for the purpose to report to ASF in accordance with the provisions of art. 82 from Law no. 24/2017 and Regulation no. 5/2018.

Management’s Responsibility

- 2 Management is responsible for the preparation and fair presentation of the Current Reports and of the transactions reported, included in the Current Reports that are free of material misstatement, in accordance with art. 82 from Law no. 24/2004 and Regulation no. 5/2018, and for the information presented in these Reports. This responsibility includes: designing, implementing and maintaining an internal control relevant to the preparation and presentation of the Current Reports that are free of material misstatement, due to fraud or error. Also, this responsibility includes compliance with the provisions of art. 82 from Law no. 24/2017 and Regulation no. 5/2018 and maintaining adequate supporting documents regarding the Current Reports. Management is responsible for preventing and detecting fraud and ensuring compliance with the legislation and regulations in force. Management is responsible for ensuring that the personnel involved in the preparation of the Current Reports is properly trained.

Auditor’s Responsibility

- 3 Our responsibility is to analyze the reported transactions included by the Company in the Current Reports and to report in the form of an independent conclusion of limited assurance, based on the evidence obtained. We conducted the engagement in accordance with International Standard on Assurance Engagements („ISAE”) 3000 as adopted by the Romanian Financial Auditors Chamber regarding the assurance engagements other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures in order to obtain a corresponding assurance level of whether the transactions included in the Current Reports, are in accordance, under all material aspects, with art. 144, point B, paragraph 4 of Regulation no. 5/2018, as a basis for our independent conclusion of limited assurance.

- 4 The selected procedures depend on our understanding of the Current Reports and of other circumstances of the engagement, as well as our considerations on areas where material misstatements may occur. In developing our understanding on the Current Reports and on the transactions reported in the Current Reports we took into consideration the Company's internal control relevant to the preparation and presentation of the Current Reports in accordance with the provisions of art. 82 of Law no. 24/2017 and Regulation no. 5/2018 in order to establish the procedures that are appropriate in these circumstances, but not for the purpose of expressing a conclusion on the effectiveness of internal control for the preparation and fair presentation of the Company's Current Reports and the transactions presented in the Current Reports.
- 5 Limited assurance is narrower than absolute or reasonable assurance. The procedures for obtaining evidence for a limited assurance engagement are more restricted than in a reasonable assurance engagement, and therefore the level of assurance obtained is lower than in a reasonable assurance engagement.
- 6 As part of this engagement, we have not performed audit, review or verification procedures of the Current Reports and on the transactions presented in the Current Reports in accordance with the International Standards on Auditing or International Standards on Review Engagements adopted by the Chamber of Financial Auditors of Romania, nor on the sources from which the Current Reports and the transactions presented in the Current Reports were extracted. Our procedures were only performed in connection with the Current Reports. We have not performed other additional procedures to verify whether the Current Reports include all contracts with managers, employees, shareholders, as well as their affiliated entities, to be reported according to Art. 82 of Law no. 24/2017 with the subsequent amendments for the period January 1 – June 30, 2018.

Criteria

- 7 The criteria used in this engagement was:
 - We have obtained and examined the offers received by the Company within the acquisition procedures organized by the Company according to the Law 99/2016 regarding sectorial acquisitions, Law 98/2016 regarding public acquisitions, Law 100/2016 regarding concession workings and concession services, Law 101/2016 regarding remedies, challenge methods for granting public acquisitions contracts, sectorial contracts and for the concession agreements for works and services, as well as organizing and functioning of the National Council for Solving of Challenges, as well as the minutes of the tender opening and the related tender reports, prepared in relation to the contracts included in the Current Reports.
- 8 Our conclusion was formed on the basis and in connection with the aspects presented in this Report. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our qualified conclusion of limited assurance.

Basis for Qualified Conclusion

- 9 Following the tender from February 10, 2018 organised by CNTEE Transelectrica SA, only one participant has submitted its proposal - the Company for the Maintenance of the Electricity Transmission Grid (SMART SA) – and the contract no C687/26.03.2018 has been concluded, being presented in the current report from April 2, 2018. Transelectrica has undertaken the necessary diligence to comply with the advertising rules and the bid price is the result of the application of a competitive procedure, to which any interested economic operator could submit the offer in SEAP, but in the tender a single bidder presented. Therefore, there is not sufficient information to determine whether the value of this contract, corroborated with the rights and obligations assumed by the parties, is adequate as compared to the other offers existing on the market.
- 10 Following the tenders from 11 January 2018 and 23 January 2018 and the direct negotiation process without prior invitation to the competitive tendering procedure from 22 June 2018 organised by the Company, only one participant has submitted its proposal - Teletrans SA – and the contracts no C21/15.01.2018, C48/16.02.2018 and C136/28.06.2018 has been agreed, presented in the current reports from 18 January 2018, 20 February 2018 and 2 April 2018. Therefore, there is not sufficient information to determine whether the values of these contracts, corroborated with the rights and obligations assumed by the parties, are adequate as compared to the other offers existing on the market.

Qualified Conclusion

- 11 Based on the procedures performed, except for the possible effects of the matters mentioned in paragraphs 9 and 10, nothing came to our attention to make us believe that the transactions reported in the Current Reports are not in accordance, under all material aspects, with art. 114, point B, paragraph 4 from Regulation no. 5/2018.

Other Matters

- 12 Our report is solely issued for the purpose stated in the first paragraph of this report and is prepared to inform the Directorate of the Company as a whole. Our report should not be regarded as suitable for use by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company that obtains access to our report or a copy of the report and chooses to rely on our report (or part thereof), should do so at your own risk. Our engagement was performed in order to report to the Directorate of the Company on those aspects that need to be reported in an independent report of limited assurance, and for no other purpose.]

For signature, please refer to the original Romanian version.

Deloitte Audit S.R.L.
Bucharest, Romania
July 25, 2018