

DIRECTORATE

No. _____ / .01.2019

To: **MINISTRY OF ECONOMY**

Department for Privatisation and Administration of State Participations

Mr. Victor Vlad CAZANA, President

Dear President,

Taking into account the **request no. 6770/28.12.2018 from the Ministry of Economy, D.P.A.A.P.S.** (registered under no. 55628/28.12.2018 in the Company) **with respect to the items in the agenda of the Shareholders' general ordinary, namely extraordinary assembly**, the Romanian State through the Ministry of Economy holding 58.6882% of the Company's share capital, that is:

- The **ordinary assembly convened on 18.01.2019, 10:00 h** in Bucharest 3, Str. Olteni 2-4, PLATINUM Centre Building, 11th floor, Meeting room 1112, for all shareholders registered in the Company's Shareholders Register at the end of 08.01.2019 (reference date)

and

- The **extraordinary assembly convened on 18.01.2019, 12:00 h** in Bucharest 3, Str. Olteni 2-4, PLATINUM Centre Building, 11th floor, Meeting room 1112, for all shareholders registered in the Company's Shareholders Register at the end of 08.01.2019 (reference date),

The **National Power Grid Company Transelectrica SA** specifies as follows:

- (i) As regards item 1 in the agenda of the Shareholders' general ordinary assembly, *Approving the appointment of BDO AUDIT SRL as financial auditor of the National Power Grid Company Transelectrica SA,*

according to article 21 para (1) let. I) of the Company's Articles of association, it is the Supervisory Board that has the attribution to „propose the appointment and recall of the financial auditor to the general assembly, as well as the minimum term of the audit contract”. To this effect Notice 54222/14.12.2018 placed at the shareholders' disposal by being posted on the Company's site has been issued with the signature of the Supervisory Board's chairman. Moreover please find hereby attached Decision 98/14.12.2018 of the Supervisory Board.

(ii) As regards item 1 in the agenda of the Shareholders' general extraordinary assembly, *Approving the Company's issuance of a corporative guarantee letter in favour of ING Bank NV Amsterdam for one year amounting to 27,392,412.79 Lei to secure a loan contract where the Company of Maintenance Services to the Transmission Grid Smart SA, Company subsidiary, is debtor and ING Bank NV Amsterdam is creditor, provided real estate guarantees are constituted in favour of the Company, which are meant to fully cover the value of the corporative guarantee letter,*

as also provided in Notice 54424/17.12.2018, according to article 14 para (3) let. a) of the Company's Articles of association the approval competence belongs to the Shareholders' general extraordinary assembly, as the Supervisory board has no competence, as per the Articles of association, to approve such operations. As far as your request is concerned, please find the Supervisory Board's decision (Decision 92/23.11.2018) about the Restructuring / recovery Plan submitted by SMART S.A. Mention should be made the Company's Directorate issued no decision endorsing fully / partially the reorganisation / recovery plan of the Company of Maintenance Services to the Transmission Grid SMART SA, as regards the value quantum of the corporative guarantee letter to be granted to SMART SA, as the Directorate has no competence in this respect according to applicable legal and statutory provisions.

(iii) As regards item 1 in the agenda of the Shareholders' general extraordinary assembly, *Approving the Company's participation to increasing the share capital of the Company of Maintenance Services to the Transmission Grid Smart SA, Company subsidiary, with maximum cash contribution of 27,000,000 Lei,*

as also provided in Notice 54424/17.12.2018, according to article 14 para (3) let. a) of the Company's Articles of association the approval competence belongs to the Shareholders' general extraordinary assembly, as the Supervisory board has no competence, as per the Articles of association, to approve such operations.

The information related to the agenda items ensuing from the internal analysis of the Reorganisation / recovery plan of the Company of Maintenance Services to the Transmission Grid SMART SA has been placed at the disposal of all Company shareholders on 17.12.2018 by Notice 54424/17.12.2018 available on the Company's website www.transelectrica.ro, page Investor Relations / AGA.

This answer is placed at the disposal of all shareholders by being posted on the Company's website www.transelectrica.ro, page Investor Relations / AGA.

With highest consideration,

DIRECTORATE,

<i>Chairman</i>	<i>Member</i>	<i>Member</i>	<i>Member</i>	<i>Member</i>
Marius-Danut CARASOL	Claudia-Gina ANASTASE	Andreea- Georgiana FLOREA	Constantin SARAGEA	Adrian SAVU

DECISION 92

The Supervisory Board of the National Power Grid Company Transelectrica SA, having met on 23.11.2018, by mutual agreement,

In accordance with the Articles of association of the National Power Grid Company Transelectrica SA,

While the provisions regarding the number of favourable votes (6 'for' votes from 6 casted votes) have been complied with in order to take a decision, on **23.11.2018**,

DECIDES:

Single article The Reorganisation / recovery plan of the Company for Maintenance Services to the Transmission Grid Smart SA is endorsed in the form transmitted by the Company for Maintenance Services to the Transmission Grid Smart SA by letter 1200/14.11.2018, registered in the Company under no 49056/14.11.2018, endorsed by the Directorate in terms of the value quantum of the Corporative guarantee letter to be granted to subsidiary Smart SA.

President of the Supervisory Board,

Gheorghe OLTEANU

DECISION 98

The Supervisory Board of the National Power Grid Company Transelectrica SA, after consideration by phone meeting of support materials for the agenda,

Taking into account notice 54187/14.12.2018 with the Supervisory Board's proposal, according to article 21 para 1 let I) from the Articles of association, to appoint the Company's financial auditor,

Taking into account the recommendation of the Supervisory Board's Audit Committee,

In accordance with article 21 para (1) let (I) of the Articles of association of CNTEE Transelectrica SA,

While also complying with the provisions regarding the number of favourable votes in order to take a decision, on **14.12.2018**,

DECIDES:

Single article The Shareholders' general assembly of CNTEE Transelectrica SA is proposed the appointment of BDO AUDIT SRL as financial auditor of CNTEE Transelectrica SA, for 3 years' term.

President of the Supervisory Board,

Gheorghe OLTEANU