

Current report according to the provisions of Law no 297/2004, Regulation 1/2006 and BSE Code

Date of the report: **March 24, 2017**

Name of the Issuer Company: National Power Grid Co. Transelectrica SA, managed under two tier system

Headquarters: Bucharest 1, Blvd. Magheru no. 33

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

Phone/fax number: 4021 3035 611/4021 3035610

Single Registration Code: 13328043

Number in the Commercial Register: J40/8060/2000

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

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

CONVENING NOTICE for the SHAREHOLDERS' GENERAL ORDINARY ASSEMBLY

The Directorate of the National Power Grid Company Transelectrica SA, managed under two-tier system, seated in Blvd. General Gheorghe Magheru no. 33, Bucharest 1, registered with the Office of the Commercial Register under no. J40/8060/2000, single (fiscal) registration code 13328043, (the Company), having assembled on **March 24, 2017** is convening, in accordance with the provisions of the Company law 31/1990, republished, with later amendments and additions, of Law 297/2004 on the capital market, with later amendments and additions, of the National Securities Commission's Regulations 1/2006 on issuers and operations with securities, and 6/2009 on exercising certain shareholders' rights in the shareholders' general assemblies of companies, Emergency Ordinance no. 109/2011 regarding corporate governance of public enterprises and the Company's Articles of association updated on 23 March 2015, The Shareholders' general ordinary assembly on **27 April 2017, 10:00 h** in Bucharest 3, str. Olteni no. 2-4, PLATINUM Centre Building, 11 floor, Meeting room 1112, For all shareholders that are recorded in the Company's Shareholder Register at the end of **17 April 2017** (reference date), having the following

AGENDA:

1. Approving the Stand-alone financial statements of the National Power Grid Company Transelectrica SA for the 2016 financial exercise;
2. Approving the Consolidated financial statements of the National Power Grid Company Transelectrica SA for the 2016 financial exercise;
- 3.1. Approving the distribution of net profit from 31.12.2016 and the dividend distribution of 75% quota in accordance with the Dividend distribution policy approved by HAGA 1/28.03.2016, having the following destinations:

Destination	Sum (Lei)
Accounting profit left after deducing the income tax on 31 December 2016 (includes the provision for employees' participation to profit)	278,823,063
<i>Distribution of accounting profit to the following destinations:</i>	
Legal reserve (5%)	16,952,910
Other law-provided distributions - tax exemption for re-invested profit	27,462,480

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Other law-provided distributions - revenues obtained in 2016 from allocations of interconnection capacities (net of income tax and legal reserve)	50,582,674
Employees' participation to profit (provision expense in 2016)	6,461,520
Dividends owed to shareholders	137,883,210
Other reserves constituted as one's own financing sources	39,480,269
Non-distributed profit	-

3.2. Approving the distribution of net profit from 31 December 2016 by distributing as dividend a 90% quota, according to the Memorandum approved by the Romanian Government, having the following destinations:

Destination	Sum (Lei)
Accounting profit left after deducing the income tax on 31 December 2016 (includes the provision for employees' participation to profit)	278,823,063
<i>Distribution of accounting profit to the following destinations:</i>	
Legal reserve (5%)	16,952,910
Other law-provided distributions - tax exemption for re-invested profit	27,462,480
Other law-provided distributions - revenues obtained in 2016 from allocations of interconnection capacities (net of income tax and legal reserve)	50,582,674
Employees' participation to profit (provision expense in 2016)	6,461,520
Dividends owed to shareholders	165,445,191
Other reserves constituted as one's own financing sources	11,918,288
Non-distributed profit	-

4.1. Approving the gross dividend per share for 2016 at **1.881 Lei/share**, payable to shareholders registered on **07 June 2017, ex-date 06 June 2017, in accordance with the Dividend distribution policy of the National Power Grid Company Transelectrica SA, approved by decision 1 of 28.03.2016 of the Shareholders' General Ordinary Assembly;**

4.2. Approving the gross dividend per share for 2016 at **2.257 Lei/share**, payable to shareholders registered on **07 June 2017, ex-date 06 June 2017, in accordance with the request of the Romanian State shareholder represented through the Ministry of Economy, regarding the distribution as dividend of a 90% quota, according to the Memorandum approved by the Romanian Government;**

5. Submitting the Financial audit reports about the stand-alone and consolidated financial statements, concluded by the National Power Grid Company Transelectrica SA on 31 December 2016;

6. Approving the Annual Report regarding the economic-financial activities of the National Power Grid Company Transelectrica SA, in accordance with the provisions of article 227 from Law 297/2004 on the capital market and of Annex 32 to CNVM Regulation 1/2006, for the financial exercise ended on 31 December 2016;

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7. Discharging the liability of Directorate and Supervisory Board members for the 2016 financial year;
8. Submitting the Half-yearly report of the Supervisory Board of the National Power Grid Company Transelectrica SA about the administration activities;
9. Submitting the Report of the Nomination and Remuneration Committee from the Supervisory Board of the National Power Grid Company Transelectrica SA;
10. Submitting the Report of the Audit Committee from the Supervisory Board of the National Power Grid Company Transelectrica SA with respect to the internal control and significant risk management systems in the National Power Grid Company Transelectrica SA from 2016;
11. Approving the minimum term of the financial audit contract;
12. Setting **06 June 2017** as „ex date”, calendar day from which the shares of the National Power Grid Company Transelectrica SA provided in the decision of the Shareholders' general ordinary assembly are transacted without the rights derived from that decision;
13. Setting **07 June 2017** as registration date for the shareholders that will be touched by the effects of the decision taken by the Shareholders' general ordinary assembly;
14. Setting **28 June 2017** as „payment date” for the dividends associated to the 2016 financial exercise,
15. Mandating the assembly chairman to sign the decision of the Shareholders' general ordinary assembly, the documents necessary for the registration and publication of such decision of the Shareholders' general ordinary assembly with the Office of the Commercial Register from Bucharest Tribunal.

In case the required quorum cannot be reached on the fore-mentioned date, the Shareholders' general ordinary assembly will be held on **28 April 2017, 10:00 h** in Bucharest 3, Olteni Str. No. 2-4, PLATINUM Centre Building, 11th floor, Meeting room 1112, with the same agenda.

At the convened date, the Company's share capital is 733,031,420 lei and consists of 73,303,142 nominative dematerialised shares of 10 Lei nominal value, each share providing the right to one vote in the Shareholders' general ordinary assembly.

The proposed registration date for the shareholders that will be touched by the effects of the decision taken by the Shareholders' general ordinary assembly of Company shareholders, date which will be established by the Shareholders' general ordinary assembly, is **07 June 2017**.

Assembly material (documents or information about the agenda items) are available as follows:

- Documents regarding items 1 - 6 and 12 - 14 in the agenda of the Shareholders' general ordinary assembly are available from the assembly convening date, namely **24 March 2017**, in electronic format, both in Romanian and in English, on the Company's website (www.transelectrica.ro), page Investor relations/AGA or they can be obtained from: PLATINUM Centre, str. Olteni no. 2-4, Bucharest 3, on week-days from **08:00 ÷ 15:00 h**.

- Documents regarding items 8-11 in the agenda of the Shareholders' general ordinary assembly are available beginning with **27 March 2017**, in electronic format, both in Romanian and in English, on the Company's website (www.transelectrica.ro), page Investor relations/AGA or they can be obtained from: PLATINUM Centre, str. Olteni no. 2-4, Bucharest 3, on week-days from **08:00 ÷ 15:00 h**.

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The draft decision of the Shareholders' general ordinary assembly is available beginning with **27 March 2017** in electronic format both in Romanian and in English on the Company's website (www.transelectrica.ro), page Investor Relations/AGA or they can be obtained from this address: PLATINUM Centre Building, Str. Olteni no. 2-4, Bucharest 3, on week-days **from 08:00 h ÷ 15:00 h**.

Each shareholder has the right to ask questions related to items on the General Assembly's agenda, to which the response will be posted on the Company's website. Questions can be submitted in writing, either by mail or courier service (at the address: Bucharest, District 3, Olteni street, no. 2-4, "PLATINUM Center" building) or by electronic means (e-mail: irina.racanel@transelectrica.ro or fax to: +4021.303.56.10) to the attention of Mrs. Irina Racanel.

Shareholders representing individually or jointly at least 5% of the share capital are entitled:

- to introduce items in the agenda of the general assembly, provided each item is accompanied by justification or by draft decision proposed to be passed by the general assembly, within 15 days at the most from the publication date of the convening notice, namely **April 10, 2017, 16:00 h**.

- to submit draft decisions for the items included or proposed to be included in the agenda of the general extraordinary assembly, within 15 days at the most from the publication date of the convening notice, namely **April 10, 2017, 16:00 h**.

The rights provided above can be exercised only in writing and the shareholders will forward the request no later than **April 10, 2017, 16:00 h** either by mail or courier service (at the address: Bucharest, District 3, Olteni street, no. 2-4, "PLATINUM Center" building) or by electronic means (e-mail: irina.racanel@transelectrica.ro or fax to: +4021.303.56.10) to the attention of Mrs. Irina Racanel.

Shareholders enlisted on the reference date in the Shareholders' register of Transelectrica, notified by the Central Depository, that directly or indirectly hold participation of at least 5% from the Company's share capital are compelled to fill in and submit a liability statement according to the provisions of article 34 par 2 from the *Electricity and natural gas law 123/2012, with later amendments and additions*, of article 17 par 8 and of article 39 from the Articles of Association of the NPG Transelectrica SA. Such statement will be accompanied by the summary of account positions to date / the statement of account showing the portfolio of shares held by it to the economic operators carrying out power generation or supply activities, issued by the Participant / Central Depository. The exemplary of statement form will be posted both in Romanian and in English on the Company's site together with the correspondence voting forms and the special powers of attorneys. This form can be also got from the following address: PLATINUM Centre, str. Olteni 2-4, Bucharest 3 on week-days, 08:00 - 15:00 h. The responsibility of the statements in terms of compliance with applicable legal and statutory provisions devolves exclusively on each shareholder individually (article 326 of the Criminal Code approved by Law 286/2009 with later amendments and additions). The statement together with the statement of account / summary of account positions to date will be filled in, signed by the shareholder and submitted in the original to the Company before the reunion of the Shareholders' general assembly.

The capacity of shareholder as well as, in case of legal person shareholders or of entities without legal personality, the capacity of legal representative is ascertained according to the list of shareholders on the reference/registration date received by the Company from the Central Depository or, as the case may be, for different reference/registration dates according to the following documents that the shareholder submits to the issuer, issued by the central depository or by the participants defined in article 168 par (1) lit. b) from Law 297/2004, with later amendments and additions, that provide custody services:

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a) The statement of account showing the capacity of shareholder and the number of shares held;

b) The documents certifying the registration of the information about the legal representative with the central depository / the respective participants.

Documents certifying the capacity of legal representative elaborated in a foreign language, other than English, will be accompanied by translation made by certified translator into Romanian or English. There is no need to legalise or apostille the documents certifying the capacity of shareholder's legal representative. To identify the natural person shareholder, or as the case may be the legal representative of the legal person shareholder or entity without legal personality asking questions, proposing candidates, making proposals that add the agenda or submitting draft decisions, he/she will attach copies of the documents certifying his/her identity to such request.

Only shareholders registered on the reference date **17 April 2017** can attend and vote, in person or by proxy.

Participation by representative will use a special power of attorney, in accordance with the form provided by the Company, or a general mandate, while also observing the provisions of article 243 par 6, 6¹-6⁵ from Law 297/2004 on the capital market, with later amendments and additions, according to the terms from articles 14, 15, 15¹, 16, 17 and 17¹ from Regulation 6/2009 of CNVM, with later amendments and additions.

The special power of attorney form both in Romanian and English will be also available in electronic format on the Company's website (www.transelectrica.ro), page Investor Relations/AGA beginning with **27 March 2017**.

The special power of attorney in the original or the general mandate (a copy that should mention the conformity with the original and bear the representative's signature), either in Romanian or in English will be submitted at Bucharest 3, str. Olteni no. 2-4, PLATINUM Centre Building, to the kind attention of Mrs. Irina Racanel, or will be transmitted being signed with extended electronic signature in accordance with the provisions of Law 455/2001 on the electronic signature by e-mail to: irina.racanel@transelectrica.ro. The special power of attorney will be submitted in a closed envelope marked "Special power of attorney – for the Secretariat AGOA **27/28 March 2017**", by **27 April 2017, 10:00 h** for the first convocation, namely by **28 April 2017, 10:00 h** for the second convocation.

Shareholders registered on the reference date can vote by correspondence before the Shareholders' general ordinary assembly using the correspondence voting form made available both in Romanian and in English beginning with **27 March 2017** on the Company's website (www.transelectrica.ro), page Investor Relations/AGA. The vote by correspondence can be cast by a representative only in case he/she has received from the shareholder he/she represents a special/general power of attorney that is submitted to the Company as specified above.

Correspondence voting forms either in Romanian or in English that have been filled in and signed by shareholders and are accompanied by a copy of the ID document of the natural person shareholder or, as the case may be, a copy of the ID document of the legal person shareholder's representative, will have to get in the original by post or courier service, in closed envelope marked "Special power of attorney –

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for the Secretariat AGOA **27/28 April 2017**", to this address: PLATINUM Centre Building, str. Olteni no. 2-4, post code 030786, Bucharest 3 by **27 April 2017, 10:00 h** for the first convocation, namely by **28 April 2017, 10:00 h**, for the second convocation.

In case the initial convening notice is subsequently added new agenda items the Company will publish such convening addition according to legal provisions and will make available the updated additional assembly materials, the draft decision, the correspondence voting form and the form of the special power of attorney by **14 April 2017**, which is previous to the reference date.

Additional information can be obtained from phone number +40 722.314.610, Irina Racanel – technical secretary of the Shareholders' general assembly.

DIRECTORATE

Ion-Toni TEAU
Executive Director General
Directorate Chairman

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