

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

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

Date of the report: **17 December 2018**

Name of Issuer Company: **CNTEE TRANSELECTRICA SA, company managed by two-tier system**

Headquarters: Blvd. Gheorghe Magheru 33, Bucharest 1

Working location: Str. Olteni 2-4, Bucharest 3

Phone / fax numbers: 021 30 35 611/021 30 35 610

Single registration code with the Office of the Trade Register: 13328043

LEI Code: 254900OLXCOUQC90M036

Number in the Trade Register: J40/8060/2000

Share capital subscribed and paid: 733.031.420 RON

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

**COMMUNIQUÉ REGARDING THE MODE OF PAYMENT FOR DIVIDENDS distributed according to
HAGOA 15/2018 of 14.12.2018**

In accordance with the decision of the Shareholders' General Ordinary Assembly of 14 December 2018, CNTEE Transelectrica SA (TEL) hereby transmits the payment procedure of dividends from the amounts existing in the balance of 'Other reserves' and 'Retained earning' accounts. Therefore dividend payment will be paid beginning with **25 January 2019** (payment date) to the shareholders registered on **4 January 2019** in the Company's Shareholder Register, **ex-date** being **03 January 2019 by means of the Central Depository SA (DC) and of BRD – Group Société Générale (BRD)**.

The value of the **gross dividend** is **0.91 Lei / share**.

Tax will be withheld, stated and paid to the state budget by CNTEE Transelectrica SA in accordance with applicable legal provisions, and shareholders will collect the net dividends.

NOTE: The payment liability of net dividends owed to TEL shareholders from the amounts existing in 'Other reserves' and 'Retained earning' accounts **is subject to the general write-off provisions, being written off beginning with 25 January 2022, namely within 3 (three) from payment beginning date - 25 January 2019.**

Dividends will be paid **through the Central Depository** as follows:

- In case of shareholders whose interests are represented by (Bank, Custodian or Broker) Participants to the Compensation-settlement system and register of the Central Depository - directly into the accounts opened by Participants;
- In case of shareholders acting on their own behalf - by means of BRD, payment agent designated by TEL, which has concluded a contract both with TEL and with the DC;
- In case of shareholders recorded in the Central Depository's logs in section I of its Register, namely natural / legal persons / other entities not represented by the Participant, holders of current accounts opened with BRD that have not chosen before payment date to have their dividends into another account notified to the Central Depository / CNTEE Transelectrica SA, dividends will be paid automatically on payment date by bank transfer into the current accounts opened with BRD, if the ID data have been updated and coincide in both entities, BRD and DC.

NOTE: In accordance with the capital market legislation, beginning from dividends distribution for 2014 by means of the Central Depository, shareholders that are not represented by Participants can collect any amount of money owed to them by bank transfer into a single bank account, regardless

of the issuer distributing such monetary amounts, and the notified amount stays valid for subsequent distributions until contrary notification. To benefit of this mode of payment shareholders are invited to approach directly the Central Depository, phone numbers 021.408.58.56 or 021.408.59.23 and / or e-mail address: dividende@depozitarulcentral.ro.

The payment procedure of dividends and the forms (Payment demands) can be found on the site www.transelectrica.ro section **Relatii Investitori [Investor relations] / Actiuni [Shares] / Dividende [Dividends]**.

Payment procedure:

A. **Bank transfer payment into Participants' accounts**

In case of natural, legal persons or other entities that on the **registration date** hold shares in the Register of TEL Shareholders opened with the Participants; dividends will be automatically paid on the **payment beginning date (25 January 2019)** into the Participants' accounts.

In case of non-resident shareholders, natural or legal persons / other entities, to get a good taxation quot Participants will submit to TEL:

- **Fiscal residence certificate** issued by the fiscal authority of the respective state for the year when dividends are paid, in the **original or authenticated copy**;
- **Certified translation in Romanian** of the fiscal residence certificate in the **original**.

In case non-resident shareholders have opened accounts with the Participants, the deadline by which they can submit the fiscal residence documentation for a better taxation rate is **16.01.2019**. In case the documentation is transmitted after **16.01.2019**, TEL will pay the difference resulting from the application of Agreements for avoidance of double taxation, after the payment beginning date.

Non-resident retirement funds should provide the following documents:

- **Fiscal residence certificate, original or authenticated copy**;
- **Certified translation in Romanian**;
- **Affidavit of the legal representative of the fund managing company** certifying that the authorisation of the fund managing company is valid on the payment date, if it represents retirement funds as they are defined in the legislation of the EU member state or in one of the AELS states and, if available, providing information on the official site of the regulatory authority in the country of origin where the statutes of the retirement fund can be verified;
- **Copy of the valid ID papers of the legal representative for the fund managing company, certified by the holder as "compliant with the original"**.

In case of investment funds without legal personality TEL requests the Participants / Investment Managing Companies / FDI to transmit by **16.01.2019** an affidavit signed by the legal representative / person mandated to represent the investment fund without legal personality, which should include the following information:

- The type of the open/closed investment fund;
- The absence of legal personality;
- The fund ID data (single identification/registration code), as mentioned in the Shareholder Register of TEL kept by the CD and the full name of the investment fund;
- The registration number in the Register of Financial Instruments and Investments;
- Licensing decision;
- Number and date of ASF notification and its validity, as well as other documents and information it deems necessary;
- Copy of the relevant document showing the capacity of the person that signs the statement of legal representative / person mandated to represent the fund;
- Copy of the certificate issued by the Financial Supervisory Authority.

In case of resident pension funds the (Custodian Bank or Broker) Participants having retirement funds as clients in their portfolio will transmit to TEL their list, accompanied by legal documents certifying their capacity of retirement funds in order to benefit of tax exemption according to Law 227/2015 on the Fiscal Code, with later amendments and additions.

B. Payment by bank transfer

The natural or legal persons that have no account opened with the Participants will send to TEL the following documents, as the case may be:

1. Natural person with fiscal residence in Romania

- Demand form available on the site www.transelectrica.ro / Investor Relations / Shares / Dividends;
- Copy of ID documents with legible PNC (ID bulletin/card, passport);
- Document certifying the bank account, also indicating the IBAN code and the holder;
- In case the **shareholder's name is changed** (by marriage, divorce, administrative change), the copy of the document showing the name change should be also submitted.

2. Legal person with fiscal residence in Romania

- Demand form available on the site www.transelectrica.ro / Investor Relations / Shares / Dividends;
- Copy of the documents issued by the Trade Register:
 - Registration certificate providing the fiscal registration code;
 - Ascertaining certificate valid on the submission date providing the names of authorised persons;
- Copies of ID documents of the legal representative with legible PNC (ID bulletin/card, passport);
- Document certifying the bank account, also indicating the IBAN code and the holder.

3. Natural / legal person with fiscal residence in another state than Romania

In order to apply better taxation provisions according to the Agreements avoiding double taxation concluded between Romania and the residential country of the revenue beneficiary, such shareholders will additionally transmit the following documents:

- **Fiscal residence certificate** issued by the fiscal authority of the respective state for the year when dividends are paid, in the **original or authenticated copy**, which will include the items provided in the Fiscal Code applicable on the date of this communiqué;
- **Certified Romanian translation** of the fiscal residence certificate, **original**;
- **Contact details** for possible explanations asked about the fiscal residence certificate.

In order to be taken into consideration the fiscal residence documents will not be transmitted later than **18 January 2019**. In case the documentation is transmitted after 18.01.2019, TEL will pay the difference resulting from the application of provisions from the Agreements avoiding double taxation, after the date when payment begins.

NOTE: Documents will be transmitted to CNTEE TRANSELECTRICA SA by one of the following three modes:

- By post: str. Olteni 2-4, Bucharest 3, code 030786, mentioning "To the attention of the Shareholders Liaising Department from the Corporate Governance, Investor Relations and Representation Division".
- By e-mail: relatii.investitori@transelectrica.ro
- By fax: 021 3035610, mentioning "To the attention of the Shareholders Liaising Department from the Corporate Governance, Investor Relations and Representation Division".

C. Payment by bank transfer or cash at the BRD pay desks

Natural or legal person shareholders will submit the following documents to the pay desk of the payment agent, as the case may be:

Natural person with fiscal residence in Romania:

1. **In person:** he/she will come in person with the original ID document (bulletin/ID card, passport), mentioning the personal numerical code (PNC)
2. **By proxy** that will submit:
 - Special power of attorney authenticated by the notary, which includes the mandate to collect the distributed amounts, issued no more than 3 previous years before the date when the payment is made, except when the mandate has got validity term greater than 3 years and is valid on the payment date + 1 copy certified to be compliant with the original (the copy will be kept by the Payment agent);
 - ID document of the proxy with the PNC inscribed (original + copy).
3. **Person under 14, by means of his/her guardian/parent** will submit:
 - Shareholder's birth certificate (with PNC) - original + copy;
 - The juridical deed instituting the guardianship in case of the guardian who is not one of the parents - original + copy;
 - ID document of the guardian/parent in the original (ID bulletin/card, passport) - original + copy;
4. **In case of natural persons with trusteeship instituted** the following will be submitted:
 - ID document of the shareholder, which should specify the PNC (original + copy);
 - Juridical deed instituting the trusteeship (original + copy);
 - Trustee's ID document (original + copy).

Natural person with fiscal residence in another state than Romania will submit:

- Document identifying the shareholder, containing data which should correspond with those found in the Payment agent's registers received from the Central Depository.

Legal person with fiscal residence in Romania will submit:

- Registration certificate of the legal person / entity into the Commercial Register / other equivalent document which should certify the registration of the legal person / entity with the competent authority + 1 copy that will be kept by the Payment agent;
- ID document of the legal representative or of the mandatee, as the case may be;
- Ascertaining certificate from the Trade Register / equivalent document issued by the competent authority not older than 3 months, which should mention the company's legal representative + 1 copy that will be kept by the Payment agent;
- Notary power of attorney in the original or legalised copy (the power of attorney will be retained by the Payment agent), if need be.

Legal person shareholders will be paid only by means of bank transfer.

In case of bank transfer payments to other banks than BRD, the above mentioned documents will be added the statement of account certified by the bank where dividends transfer is requested at or a proving document issued by the bank showing the holder of the fore-mentioned bank account. The account holder can be only the shareholder or his/her proxy, as the case may be.

All BRD units distribute Transelectrica (TEL) dividends. The distribution network can be found at: www.brd.ro/agentii-si-atm-uri.

NOTE:

- No net dividends will be paid at the pay desk in the following circumstances:
 - To shareholders with PNC in the documents submitted at the pay desk which does not correspond with that recorded in the Payment agent's registers, received from the Central Depository. They will be referred to the Central Depository.
 - To shareholders' heirs based on inheritance certificates. They will be referred to the Central Depository.
1. In case of deceased shareholders dividends will be paid only when the Central Depository will have registered the shares transfer to the heirs (upon their request based on documents), and the Payment agent

will receive notification from the Central Depository to update the data in accordance with the share transfer from the deceased shareholder to his/her successors.

2. Documents submitted in a foreign language will be accompanied by authenticated translation in Romanian, in the original.

3. Shareholders with fiscal residence in other states than Romania that want a better taxation rate according to the provisions of the Agreements avoiding double taxation in conjunction with the applicable fiscal legislation will submit the fore-mentioned documentation to the TEL. Payment will be made when the taxation rate has been established.

4. TEL will bear the fees charged by the BRD and by the Central Depository for dividends payment.

5. TEL is not responsible for the failure to apply a better fiscal treatment specified in this document, in case the required documentation and / or explanations have not been submitted by the set dates.

6. In case of joint owners payments will be processed provided all co-owners show at the desk, in person or by legal and/or conventional representative.

7. In accordance with the provisions of Law 207/2015 on the Fiscal Procedural Code and of Order 3249/03.11.2016 amending and adding Order 3698/2015 of the President of the National Agency for Fiscal Administration approving the taxpayers' fiscal registration forms and the types of fiscal liabilities constituting the fiscal sector, the shareholders of CNTEE Transelectrica SA that are non-resident natural & legal persons are obliged to perform fiscal registration in Romania by submitting to the competent fiscal agency of Romania the Fiscal registration return 015 (for non-resident legal persons) and 030 (for non-resident natural persons) in order to get a fiscal registration code.

Returns 015 (for non-resident legal persons) and 030 (for non-resident natural persons) will be submitted to the registration office of the competent fiscal agency from Romania either directly through the legal representative, mandated persons or by means of the revenue tax-payer.

Non-resident natural and legal person shareholders will submit to CNTEE Transelectrica SA, by 16 December 2019 at the latest documents showing the fiscal ID code obtained from the competent fiscal bodies of Romania.

TEL reserves the right to request additional documents with respect to dividend payments in view of identifying the shareholders.

Should you require further information:

- E-mail: relatii.investitori@transelectrica.ro
- Phone: 021-303.59.48

Adrian – Constantin RUSU

**Executive Director General
Directorate Chairman**

Adrian – Mircea TEODORESCU

Directorate Member