



**Endorsed,
Board of Directors
President
Iulian – Robert Tudorache**

NOTE

Regarding the approval of The Annual Report of the Board of Directors for the financial year ended at 31 December 2019

- Documentation for item 4 on the agenda of the OGMS/27.04.2020 -

1. General aspects/competence

As per the provisions of art. 63 of the Law no. 24/2017 regarding financial instruments issuers and capital market operations, the companies admitted for trading on a regulated market are obliged to make available to the public, within 4 months since the end of the financial year, the Annual Financial Report, comprising the Audited Annual Financial Statements, together with the Annual Report of the Board of Directors, the declaration of the responsible persons and the financial audit report.

The Annual Financial Report will include all the information necessary for the complete and fair presentation of each element presented in Annex no. 15 to Regulation no. 5/2018 on Issuers of Financial Instruments and Market Operations, issued by the Financial Supervisory Authority ("ASF").

2. Presentation

Taking into account SNN's status as a listed company on Bucharest Stock Exchange, SNN prepared the annual report for the financial year 2019, in compliance with the provisions of art. 63 of the Law no. 24/2017 and of Annex no. 15 to the ASF Regulation no. 5/2018.

As per Annex no. 15 to Regulation no. 5/2018, the content of the annual report must include information regarding: the analysis of the company's activity, the commercial assets of the company, the market of the securities issued by the commercial entity, the management of the commercial entity, the financial and accounting statements as well as information regarding its subsidiaries and the company as a whole, if the company has subsidiaries.

In compliance with the regulations of the capital market regarding the annual report, as well as the requirements of the related legislation (Law no. 31/1990, O.U.G. no. 109/2011, OMFP no. 2844/2016), SNN issued The Annual Report of the Board of Directors for the financial year 2019 in compliance with the minimum requirements provided in Annex no. 15, but not limited to, adding other information of interest for the shareholders, investors and interested parties regarding SNN's activity for the financial year 2019, both at the individual level as well as at the group's level (presenting information about its subsidiary Energonuclear S.A.).

Chapter 1 of The Annual Report of the Board of Directors for the financial year 2019 presents the legal reporting basis and the requirements with which it complies, and Chapter 2 presents the identification data of the issuer SNN, as per the requirements of Annex no. 15 to the Regulation no. 5/2018 on Issuers of Financial Instruments and Market Operations, issued by the Financial Supervisory Authority.

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Trade Registry number: J40/7403/1998, Sole registration code: 10874881,

Paid and subscribed capital: 3.015.138.510 lei

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We mention that The Annual Report of the Board of Directors for the financial year 2019, prepared in compliance with art. 63 of the Law no. 24/2017 regarding the capital market and Annex no. 15 of the Regulation no. 5/2018, regarding the requirements for the annual report, was approved by the management of SNN on 24 March 2020, together with the Individual and Consolidated Annual Financial Statements as at and for the financial year ended as at 31 December 2019, accompanied by the independent auditor's report.

3. Proposals

Given the above, we submit to the approval of the Ordinary General Meeting of Shareholders, the following:

- a) The Annual Report of the Board of Directors for the financial year 2019 prepared in compliance with the provisions of art. 63 of the Law no. 24/2017 and of the ASF Regulation no. 5/2018.**

**Cosmin Ghita
Chief Executive Officer**

**Adrian Gabriel Dumitriu
Chief Financial Officer**