



**APPROVED,
Board of Directors
President
Iulian Robert Tudorache**

Note regarding the appointment of the financial auditor for the years 2017, 2018 and 2019

By Decision no. 58 from April 11, 2017, the Board of Directors of S.N. Nuclearelectrica S.A. ("SNN") approved the initiation of the selection procedure of the financial auditor, for a period of 3 years and the mandate of executive management to perform the selection procedure for the following services:

a) **Financial audit services for the individual and consolidated annual financial statements** drafted by SNN according to the provisions of the Order of the Ministry of Public Finances no. 2844/19.12.2016 for the approval of the Accounting regulations according to the International Financial Reporting Standards, for the years ended on December 31, 2017, December 31, 2018 and respectively December 31, 2019;

b) **Review services for the individual and consolidated interim condensed financial statements (limited review)** performed according to the International review standard of interim financial statements ISRS 2410 – "Review of interim financial statements performed by the entity's independent auditor";

c) **Analysis and checking services for the SNN transactions reported by current reports according to the provisions of art. 82 of the Law no. 24/2017** regarding issuers of financial instruments and market operations, drafted according to the International Standards for insurance missions, other than audits or reviews of historical financial information ("ISAE 3000"), for first and second semester of 2017, 2018 and respectively 2019;

d) **Services regarding agreed procedures for checking the compliance degree of financial conditions from the credit agreement concluded between SNN and the European Community of Atomic Energy („EURATOM")** according to the International Standards for Related Services applicable for missions of agreed procedures ("ISRS 4400"), for first and second semester of 2017, 2018 and respectively 2019;

e) **Services regarding agreed procedures for checking the compliance degree and the calculation of quarterly performance indicators for 2017, 2018 and respectively 2019**, as well as for the period January – April 2017, according to the administration/mandate contracts of administrators and directors with attributions delegated by the Board of Directors according to the International Standards for Related Services applicable to agreed procedure missions (“ISRS 4400”), both for current contracts on the date of concluding the audit contract, and for subsequent contracts concluded during the audit contract. Depending on the effective provisions of the new administration/mandate contracts which shall be concluded with the administrators/directors of the company, it is possible that the frequency of indicators and performance criteria checks to be reduced (than quarterly), situations which shall be reflected in the contractual relation.

On May 23, 2017 was organized the awarding procedure of the service contract: “Financial audit and auditing services”, and following the development of the selection procedure, the winner was declared the bidder Mazars Romania S.R.L.

Considering:

- the Decision no. 35/06.06.2017, by which the Advisory Audit Committee approved the proposal of the company Mazars Romania S.R.L. as financial auditor for the years 2017, 2018 and 2019, for providing the previously mentioned services, consisted in the service contract “Financial audit and auditing services”;
- the provisions of art. 19 letter j) from the SNN Articles of Incorporation, according to which the SNN Board of Directors has the capacity to “propose to the GMS the appointing and revocation of the financial auditor, as well as the minimum period of the audit contract”;
- the provisions of art. 13 letter d) from the SNN Articles of Incorporation, according to which the GMS has the capacity to “appoint and dismiss the financial auditor and establish the minimum period of the contract of financial audit”;
- the provisions of the Government Emergency Ordinance no. 109/2011 *regarding the corporate governance of public companies* (“GEO 109/2011”) with subsequent amendments and additions, providing at art. 47 paragraph (1[^]1) the fact that “*statutory auditors are appointed before the end of the fiscal year by the GMS [...], for a period of minimum 3 years*”,

submit to the approval of the GMS the appointing of the company Mazars Romania S.R.L. as financial auditor for a period of 3 years, respectively for the years 2017, 2018 and 2019, for providing the above mentioned services, consisted in the service contract “Financial audit and auditing services”, as well as establishing the financial auditor’s remuneration in the total amount of 73,500 EUR (without VAT), for the above mentioned services for the contractual period.

Daniela Lulache
CEO

Mihai Darie
CFO