

INDEPENDENT LIMITED ASSURANCE REPORT^{*)}

on the information included in the current reports prepared by the Company in accordance with the requirements of Law no. 24/2017, article 82 and the ASF Regulation no. 5/2018 (former CNVM Regulation no. 1/2006)

**To the General Manager of
Societatea Nationala Nuclearelectrica S.A.**

1. We were engaged by Societatea Nationala Nuclearelectrica S.A. (hereinafter referred to as "the Company") to report on the information (hereinafter referred to as "Reported Transactions") included in the current reports (hereinafter referred to as "Current Reports") dated 5 July 2018 (addendum to agreement), 9 July 2018 (agreement), 11 July 2018 (agreement), 18 July 2018 (fixed-term deposit without extension), 24 July 2018 (framework agreement and fixed-term deposit without extension), 30 July 2018 (agreements), 20 August 2018 (addendum to framework agreement), 21 August 2018 (agreement and fixed-term deposit without extension), 24 August 2018 (fixed-term deposit without extension), 12 September 2018 (addendum to agreement and service agreement), 1 October 2018 (agreements), 12 October 2018 (addendum to service agreement and agreements), 18 October 2018 (fixed-term deposit without extension), 24 October 2018 (fixed-term deposit without extension), 8 November 2018 (agreements), 14 November 2018 (agreement), 15 November 2018 (order to framework agreement), 26 November 2018 (agreements), 7 December 2018 (agreements and fixed-term deposits without extension), 21 December 2018 (subscription, addendum to subscription, convention and agreement) and 8 January 2019 (fixed-term deposit without extension) prepared by the Company in accordance with Law no. 24/2017 on Issuers of Financial Instruments and Market Operations (hereinafter referred to as "Law no. 24/2017") and the Regulation no. 5/2018 of Financial Supervisory Authority (hereinafter referred to as "ASF") on Issuers of Financial Instruments and Market Operations (hereinafter referred to as "Regulation no. 5/2018"), in a form of an independent limited assurance conclusion that, based on our procedures performed, to confirm whether or not nothing has come to our attention that causes us to believe that the Reported Transactions included in the Current Reports are not, in all material respects, in conformity with article 144, letter B, 4th paragraph of the Regulation no. 5/2018. The Current Reports mentioned above have been prepared by the management of the Company to report to ASF according to the requirements of the article 82 from the Law no. 24/2017 and the Regulation no. 5/2018.

Management's Responsibilities

2. The management of the Company is responsible for the preparation and presentation of the Current Reports and Reported Transactions included in the above, mentioned Current Reports that are free from material misstatements, in accordance with article 82 from the Law no. 24/2017 and the Regulation no. 5/2018, and for the information contained therein. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of these Current Reports and Reported Transactions included in the Current Reports, which are free from material misstatements, whether due to fraud or error. Also, this responsibility includes the compliance with the requirements of article 82 from the Law no. 24/2017 and the Regulation no. 5/2018 and maintenance of adequate supporting documentation in relation to the Current Reports and Reported Transactions included in the Current Reports. The management of the Company is responsible for preventing and detecting fraud and for ensuring that the Company complies with the legislation and regulations in force.

The management of the Company is responsible to ensure that personnel involved in preparation of the Current Reports and Reported Transactions included in the Current Reports is properly trained.

Our Responsibilities

3. Our responsibility is to examine the Reported Transactions disclosed by the Company in the Current Reports and report in the form of an independent limited assurance conclusion on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3000 regarding assurance engagements other than audits or review of historical financial information, as adopted by the Romanian Chamber of Financial Auditors ("CAFR"). This standard requires that we comply with ethical requirements, including independence requirements and plan and perform our procedures in such a way as to obtain a meaningful level of assurance about whether the Reported Transactions included in the Current Reports are, in all material respects, in conformity with article 144, letter B, 4th paragraph of the Regulation no. 5/2018, as the basis for our limited independent assurance conclusion.

4. The procedures selected depend on our understanding of the Current Reports and Reported Transactions included in Current Reports and other circumstances of the engagement, and on our considerations on areas where material misstatements are likely to arise. In developing our understanding of the Current Reports and Reported Transactions included in the Current Reports we considered Company's internal controls relevant to the preparation and presentation of the Company's Current Reports and Reported Transactions in accordance with the requirements of article 82 from the Law no. 24/2017 and the Regulation no. 5/2018 in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of Company's internal control over the preparation and presentation of the Current Reports and for concluding the Reported Transactions.

5. Limited assurance is narrower than absolute or reasonable assurance. The procedures for obtaining evidence for a limited assurance engagement are more limited than for a reasonable assurance engagement, and therefore lower level of assurance is obtained than in the case of a reasonable assurance engagement.

6. As part of this engagement, we have not performed any audit, review procedures or verification of the Current Reports and of Reported Transactions included in the Current Reports in accordance with the International Standards of Audit or with the International Standards on Review Engagements as adopted by the CAFR and nor on the sources from which the Current Reports and Reported Transactions were extracted.

Criteria

7. Regarding the Company's electricity sales reported in the Current Reports dated on 11 July 2018 (agreement – report no. 657), 30 July 2018 (agreement – report no. 941, agreement – report no. 942, agreement – report no. 943), 1 October 2018 (agreement – report no. 1152, agreement – report no. 1153), 12 October 2018 (agreement – report no. 1201, agreement – report no. 1204), 8 November 2018 (agreement – report no. 1302, agreement – report no. 1303, agreement – report no. 1304), 14 November 2018 (agreement – report no. 1329), 26 November

2018 (agreement – report no. 1376, agreement – report no. 1379), 7 December 2018 (agreement – report no. 1466, agreement – report no. 1463, agreement – report no. 1464, agreement – report no. 1465), the results of the auctions organized by Opcom S.A. for the Company's offers of electricity sales were considered.

8. Regarding the bank deposits concluded with the Export-Import Bank of Romania – Exim Bank S.A - Bucharest and reported in the Current Reports on 18 July 2018, 24 July 2018, 21 August 2018, 24 August 2018, 18 October 2018, 24 October 2018, 7 December 2018 and 8 January 2019, the centralized results of tenders received by the Company from several banking institutions were considered.

9. In case of transaction between RATEN - ICN reported in Current Report dated 21 December 2018 (convention – report no. 1565), this was concluded in Service Agreement (Convention) no. 1565/19.12.2018 and refers to the re invoicing of utilities by RATEN - ICN to FCN Pitesti. FCN Pitesti is a captive customer and has no possibility to choose another utilities supplier.

10. Our conclusion has been formed based on, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified conclusion.

Basis for qualified conclusion

11. The Company does not have alternative market offers for all the services included in the contracts concluded with Technologies for Nuclear Energy State Owned Company – Institute for Nuclear Research Pitesti (“RATEN - ICN”); National Administration of State Reserves and Special Issues (“ANRSPS”) - Territorial Unit 515 Bucharest; National Company of Uranium (“CNU”); State inspection for the control of boilers, pressure and lifting plants („ISCIR”); Institute for Research and Development for Earth Physics („INCDFP”); Romanian Waters National Administration - Dobrogea Seaside Water Administration („ABADL”); Romanian Waters National Administration reported in Current Reports dated 5 July 2018 (addendum to the agreement – report no. 648), 9 July 2018 (agreement – report no. 682), 24 July 2018 (framework agreement – report no. 914), 20 August 2018 (addendum to the framework agreement - report no. 964), 21 August 2018 (agreement – report no. 882), 12 September 2018 (addendum to the convention – report no. 1075 and service agreement – report no. 1050), 12 October 2018 (addendum to the service agreement - report no. 1223), 15 November 2018 (order to the framework agreement - report no. 1368), 21 December 2018 (subscription report no. 1586, addendum to the subscription - report no. 1587 and agreement - report no. 1564).

The Company does not have evidence regarding alternative offers on the market for the above-mentioned contracts because:

i) Transaction concluded with RATEN – ICN – reported in the Current Report from 5 July 2018 (addendum to the agreement – report no. 648) concluded as Addendum no. 1/03.07.2018 to the Agreement no. SNN RUEC 980/06.10.2015, as a negotiation procedure without publishing a participation notice, in accordance with article art.252, letter b) from the Government Emergency Ordinance no. 34/2006, regarding the assignment of public acquisition contracts, with subsequent amendments, taking into account that there are technical reasons that make these services able to be rendered by only one legal entity. Thus, according to Chapter I, 3rd paragraph of the FCN Pitesti Branch Environmental Authorization issued by

Government Decision no.1061/19.11.2011, "The water supply and sewerage system as well as the right to use it for the entire nuclear platform SCN - FCN is assigned to the Institute for Nuclear Research Pitesti of Technologies for Nuclear Energy State Owned Company ("RATEN - ICN") hereinafter referred to as "SCN Pitesti ", as the holder of the Water management authorization no. 308/17.12.2009 issued by the "Romanian Waters" National Administration - Water Direction Arges - Vedea Pitesti".

ii) Transaction concluded with ANRSPS - Teritorial Unity 515 Bucharest – reported in the Current Report date 9 July 2018 (agreement – report no. 682), concluded as Sectorial Products Agreement dated 5 July 2018, through negotiation procedures without a preliminary invitation for a competitive tendering procedure as per art. 117, 1st paragraph, letter c), 2nd paragraph, letter b) and 4th paragraph from the Law no. 99/2016 on sectorial procurement, in the context of technical reasons which make the product of heavy water of isotope concentration more than 99.78% capable of being delivered by a single economic operator. Thus, in accordance with article 2 of the Emergency Order No. 20/2015 on fixing the maximum level of the heavy water product for units 1 - 4 to the Cernavoda nuclear power plant for the entire period of their exploitation, as well as for the management of "heavy water", the quantities of heavy water produced by State Owned company for nuclear activities Drobeta - Turnu Severin until 30 June 2015 for the purpose of reaching the maximum levels will be taken to the State Reserve by the ANRSPS – the unit Territorial 515 Bucharest. At the same time, the ANRSPS has an exclusive right to supply the product "heavy water".

iii) Transaction concluded with CNU - reported in the Current Report from 24 July 2018 (framework agreement – report no. 914), concluded as an exception from applying the Law no. 99/2016 regarding the sectorial procurements, according with article 39, letter b), consisting of delivery of a maximum quantity of 720,000 +/- 0.5% kg materials containing natural uranium UO₂ powder; however the acquisition of services was performed through a competitive procedure with participation of two Company's qualified suppliers for powder of uranium and were concluded two framework agreements with both suppliers (CNU and Cameco) according with the Strategy of Acquisitions approved by the General Management of SNN; SNN has the right that during the period of 36 months of the framework agreements to place UO₂ powder orders from any of the two suppliers based on the best price. The two framework agreements were concluded on 19 July 2018. Starting with 23 July 2018, Law no. 193/2018 is applicable and CNU has an exclusive right for UO₂ powder delivery according with art. 2, 1st paragraph, therefore the Company has the obligation to acquire UO₂ from CNU only if has no possibility to made all the acquisitions from SNN. SNN can acquire/purchase the difference from import.

iv) Transaction concluded with RATEN – ICN - reported in the Current Report from 20 August 2018 (addendum to the framework agreement - report no. 964), concluded as Addendum no. 1 to the Agreement no. SNN RUEC 796/18.08.2015, through negotiation procedure without publishing a participation notice, in accordance with article art. 252, letter b) from the Government Emergency Ordinance no. 34/2006, regarding the assignment of public acquisition contracts, with subsequent amendments, taking into account that there are technical reasons that make these services able to be rendered by only one legal entity. The reason for applying the negation procedure without preliminary invitation for a competitive tendering procedure being mentioned above at point ii).

v) Transaction concluded with RATEN – ICN - reported in the Current Report from 21 august

2018 (agreement - report no. 882) concluded as Service agreement no. 882/16.08.2018, through competitive procedure (simplified procedure according with art. 126, 1st paragraph, in conditions described at art. 12, 2nd paragraph taking in consideration if the estimated value of the acquisition is less than the value established at art.12, 1st paragraph, letter a) Law no. 99/2016 regarding the sectorial acquisitions. Through the contracts award procedure only one offer was received.

vi) Transaction concluded with ISCIR - reported in the Current Report from 12 September 2018 (addendum to agreement – report no. 1075) concluded as Addendum no. 10 to Convention no. 2419/11.03.2018, as an exception from applying Government Emergency Ordinance no. 34/2006, regarding the assignment of public acquisition contracts, based on art.15, as per art.14, 1st paragraph from Law no. 64/2008 republished, regarding the safe operations of the pressure installations, lifting equipment and fuel consuming devices, ISCIR has the sole authorization and is responsible for technical inspection services and approval of equipment/installation and employee certification of the Company.

vii) Transaction concluded with INCDFP – reported in the Current Report dated 12 September 2018 (services agreement – report no. 1050), concluded as Services agreement no. 1050/31.08.2018, through negotiation procedures without a preliminary invitation for a competitive tendering procedure as per art. 117, 1st paragraph, letter c), 2nd paragraph, letter b) and 4nd paragraph from the Law no. 99/2016 on sectorial procurement, taking into account that there are technical reasons that make these services able to be rendered by only one legal entity.

viii) Transaction concluded with CNU - reported in the Current Report from 12 October 2018 (addendum to the services agreement – report no. 1223) concluded as Addendum no. 2/10.10.2018 to the Services agreement no. 43/29.01.2018, as an exception from applying the Law no. 99/2016, regarding the sectorial procurements, according with article 39, letter b), consisting of processing services of non-compliant nuclear materials containing natural uranium from the FCN Pitesti Branch, in order to recover uranium such as sinterable UO₂ powder; however the acquisition of services was performed through a competitive procedure with participation of two Company's qualified suppliers for sinterable powder of uranium.

ix) Transaction concluded with CNU – reported in the Current Report dated 15 November 2018 (order to framework agreement - report no. 1368) concluded in order to the framework agreement no. 914/19.07.2018 as an exception from the Law no. 99/2016 regarding the sectorial acquisitions. Detailed information is presented at point iii) above.

x) Transaction concluded with Romanian Waters National Administration reported in the Current Report dated 21 December 2018 (subscription - report no. 1586) concluded as Subscription no. 2/17.12.2018 as exception from applying the Law no. 99/2016 regarding the sectorial procurements, according with article 38, in base of the exclusive right of the Company according to the law or other national regulatory acts which are published.

xi) Transaction concluded with Romanian Waters National Administration – ABADL reported in the Current Report dated 21 December 2018 (addendum to the subscription – report no. 1587), concluded as Addendum no. 3 to the Subscription no. 908/2016, as an exception from applying the Law no. 99/2016 regarding the sectorial procurements, according with article 38 in base of the exclusive right of the Company according to the law or other national regulatory acts which are published.

xii) Transaction concluded with RATEN – ICN reported in the Current Report dated 21 December 2018 (agreement - report no. 1564), concluded as Services Agreement no. 1564/19.12.2018 through negotiation procedure without publishing a participation notice, in accordance with article art. 252, letter b) from the Government Emergency Ordinance no. 34/2006, regarding the assignment of public acquisition contracts, with subsequent amendments, taking into account that there are technical reasons that make these services able to be rendered by only one legal entity. Motivation for applying the negotiation procedure without a participation notice for a competitive offering procedure is described at point ii) above.

Consequently, we were not in the position to express a conclusion that the prices established in these contracts, correlated with the rights and obligations assumed by the parties, for which the Company does not have evidence of alternative offers on the market, are in line with other offers from the market.

Qualified conclusion

12. Based on the procedures performed, except the effects of the above mentioned aspects from the paragraph “*Basis for qualified conclusion*”, if any, nothing has come to our attention that causes us to believe that the Reported Transactions included in the Current Reports are not, in all material respects, in accordance with provisions of the art. 144, letter B, 4th paragraph from the Regulation no. 5/2018.

Other matters

13. This report is made solely for the scope described in the first paragraph and is addressed to the Company's General Manager. We do not accept or assume responsibility for any other purposes or to any other party to whose knowledge this report may come to. This engagement was performed in order to report to the Company's General Manager those aspects that should be disclosed in a limited assurance independent report and for no other purposes. To the fullest extent permitted by the law, we do not accept and assume responsibility to anyone other than the Company's General Manager for our engagement, for this report or for the conclusion we have formed. This report refers only to the above mentioned elements and does not refer in any way to other Company's reports.

Mazars Romania S.R.L.
Date: 30 January 2019
Bucharest, Romania