



**INDEPENDENT LIMITED ASSURANCE REPORT ON THE INFORMATION INCLUDED
IN THE CURRENT REPORTS PREPARED BY THE COMPANY IN ACCORDANCE WITH
THE REQUIREMENTS OF LAW NO. 297/2004, ARTICLE 225 AND THE CNVM/NSC
REGULATION NO. 1/2006 (free translation)¹**

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

1. We were engaged by the 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 reportings (hereinafter referred to as "Current Reports") dated 19 January 2016, 20 January 2016, 21 January 2016, 25 January 2016, 10 February 2016, 12 February 2016, 15 February 2016, 15 March 2016, 8 April 2016, 22 April 2016, 28 April 2016, 1 June 2016, 6 June 2016, 7 June 2016, 21 June 2016, and 1 July 2016 prepared by the Company in accordance with the Capital Market Law no. 297/2004 subsequently amended (hereinafter referred to as "Law no. 297/2004") and the Regulation no. 1/2006 of the former Comisia Nationala de Valori Mobiliare / National Securities Commission, the current Autoritatea de Supraveghere Financiara / Financial Supervision Authority (hereinafter referred to as "ASF") on issuers and operations with securities (hereinafter referred to as "Regulation no. 1/2006"), in a form of an independent limited assurance conclusion that, based on our procedures performed, 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 113, letter G, 6th paragraph of the Regulation no. 1/2006. The Current Reports dated 19 January 2016, 20 January 2016, 21 January 2016, 25 January 2016, 10 February 2016, 12 February 2016, 15 February 2016, 15 March 2016, 8 April 2016, 22 April 2016, 28 April 2016, 1 June 2016, 6 June 2016, 7 June 2016, 21 June 2016, and 1 July 2016 have been prepared by the management of the Company to report to ASF according to the requirements of the article 225 from the Law no.297/2004 and the Regulation no. 1/2006.

Management's Responsibilities

2. The management of the Company is responsible for the preparation and presentation of the Current Reports dated 19 January 2016, 20 January 2016, 21 January 2016, 25 January 2016, 10 February 2016, 12 February 2016, 15 February 2016, 15 March 2016, 8 April 2016, 22 April 2016, 28 April 2016, 1 June 2016, 6 June 2016, 7 June 2016, 21 June 2016, and 1 July 2016 that are free from material misstatements, in accordance with article 225 from the Law no. 297/2004 and the Regulation no. 1/2006, 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, that are free from material misstatements, whether due to fraud or error. Also, this responsibility includes the compliance with the requirements of art. 225 of the Law no. 297/2004 and the Regulation no. 1/2006 and maintenance of adequate supporting documentation in relation to the Current Reports and Reported Transactions. 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 is properly trained.

¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the limited assurance report on the information included in the current reports prepared by the company in accordance with the requirements of Law no. 297/2004, article 225 and the CNVM/NSC regulation no. 1/2006 is provided as a free translation from Romanian, which is the official and binding version.

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 (hereinafter referred to as "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 art. 113, letter G, 6th paragraph of the Regulation no. 1/2006, 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 internal controls relevant to the preparation and presentation of the Company's Current Reports and Reported Transactions in accordance with the requirements of art. 225 from the Law no. 297/2004 and of the Regulation no. 1/2006 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 Romanian Chamber of Financial Auditors and nor on the sources from which the Current Reports and Reported Transactions were extracted.

Criteria

7. In case of Company's sales of electricity the results of the auctions organized by Opcom S.A. for the offers of electricity sales, were considered.
8. Our conclusion has been formed on the basis of, 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 limited assurance conclusion.

Basis for qualified conclusion

9. The Company does not have alternative market offers for all the services included in the contracts concluded with Regia Autonoma Tehnologii pentru Energia Nucleara – Institutul de Cercetari Nucleare, Regia Autonoma Tehnologii pentru Energia Nucleara – prin Sucursala Centrul de Inginerie Tehnologica pentru Obiective Nucleare, Administratia Nationala „Apele Romane”, Administratia Nationala „Apele Romane”- Administratia Bazinala de Apa „ Dobrogea Litoral”, Compania Nationala Administratia Canalelor Navigabile, Institutul National de Cercetare Dezvoltare pentru Tehnologii Criogenice si Izotopice ICS and disclosed in the Current Reports dated 19 January 2016, 20 January 2016, 21 January 2016, 25 January 2016, 10 February 2016, 12 February 2016, 15 February 2016, 15 March 2016, 8 April 2016, 22 April 2016, 28 April 2016, 1 June 2016, 6 June 2016, 7 June 2016, 21 June 2016, and 1 July 2016. The Company does not have evidence regarding alternative offers on the market for the above mentioned contracts due to the fact that: i) transactions concluded with Administratia Nationala „Apele Romane” and, respectively, with Administratia Nationala „Apele Romane”- Administratia Bazinala de Apa „ Dobrogea Litoral”, Compania Nationala Administratia Canalelor Navigabile were concluded as exception from the Government Emergency Ordinance no. 34/2006 regarding the award of public procurement, of public works concession contracts and of services concession contracts as per the art. 15 paragraph (1), by virtue of exclusive right from which the above mentioned entities benefit, based on national normative acts, ii) transactions concluded with Institutul National de Cercetare Dezvoltare pentru Tehnologii Criogenice si Izotopice ICSI was concluded through negociation procedures without the publication of an attendance notice as per art. 252 (b) from the Government Emergency Ordinance no. 34/2006, taking into account that there are technical reasons that make these services able to be rendered and, respectively, the products to be delivered, by only one legal entity; iii) Services contract no 88/2016 was signed with Regia Autonoma Tehnologii pentru Energia Nucleara –Sucursala Centrul de Inginerie Tehnologica pentru Obiective Nucleare was established through open public tender for which there was only one participant, iv) transactions in form of addendums with Regia Autonoma Tehnologii pentru Energia Nucleara - Institutul de Cercetari Nucleare, Administratia Nationala „Apele Romane” and, respectively, with Administratia Nationala „Apele Romane”- Administratia Bazinala de Apa „ Dobrogea Litoral” foresee change of unitary tariffs or subscription increases, these additional acts brought changes to initial contracts that were part of the above mentioned categories i)-iii). 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.
10. The contract no. 29/01.11.2000 signed between SN Nuclearelectrica S.A. and SN Transelectrica S.A. is established based on art. 10 letter (b), as per the Producer license Agreement no. 8/1999, held by the Company. This transaction has some technical peculiarities as follows: the supply with electricity needed for the auxiliary services of Cernavoda station, held by Transelectrica SA, can be made only by the Company, directly from CNE Cernavoda industrial platform terminals, therefore there is no other supplier available to perform same type of services. The selling price from addendum no. 29 to contract 29/ 1.11.2000 signed with SN Transelectrica S.A., regarding the quantities of electricity that will be sold during the year 2016, disclosed in the Current Report dated 12 February 2016, is established by both parties through direct negotiation, based on a calculation algorithm that takes into account the average price on next day market („PZU”) from January month of the previous year of refference to which other equivalent components of price are added such as the distribution cost and other commercial costs of the Company.


Qualified conclusion

11. 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 the art. 113, letter G , 6th paragraph from the Regulation no. 1/2006.

Other matters

12. 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, in giving this conclusion report, 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.

Refer to the original signed
Romanian Version

Auditor: 
Ruxandra Bilus
CAFR authorisation no. 1996/2006
on behalf of:

BAKER TILLY KLITOU AND PARTNERS S.R.L.
CAFR authorisation no. 384/2003

Bucharest, 28 July 2016