

Avizat / Endorsed
CEO
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NOTĂ/ NOTE				
AUTOR / AUTHOR	Numar /Number	9900/1421/26.02.2021		
	Entitate / Entity	Directia Financiara/Finance Division		
1.Referitor la/ Referring to	Prelungirea mandatului auditorului financiar al Electrica, Deloitte Audit SRL pe o perioada de 2 ani, respectiv pentru exercitiile financiare 2021 si 2022 / Extension of the mandate of the financial auditor of Electrica, Deloitte Audit SRL for a period of 2 years, respectively for the financial years 2021 and 202			
2. Pentru / For		Aprobare / Approval	Avizare / Endorsement	Informare / Information
	CA / BoD		X	
	AGA / GMS	X		
3. Hotararea propusa	3. Proposed resolution draft			
Adunarea Generala Ordinara a Actionarilor („AGOA”) aproba propunerea privind prelungirea mandatului firmei Deloitte Audit SRL in calitate de auditor financiar al Electrica S.A., pe o perioada de 2 ani, respectiv pentru exercitiile financiare 2021 si 2022.	The Ordinary General Shareholders Meeting (“OGSM”) approves the proposal to extend the mandate of Deloitte Audit SRL as Electrica’s financial auditor, for a period of 2 years, respectively for the financial years 2021 and 2022.			
4. Baza legala	4. Legal background			
Actul constitutiv Electrica S.A. in forma actualizata potrivit Hotararilor Consiliului de Administratie din data de 09.12.2019 (art. 14, alin. 3 lit. i) care stabileste competenta Adunarii Generale Ordinare a Actionarilor in privinta numirii si revocarii auditorului financiar si a fixarii duratei minime a contractului de audit financiar, prevedere derivata din legea 31/1990r, art.111, alin. 2, lit. b ¹ .	The Articles of Association of Electrica S.A. as updated by the Board of Directors Decisions as of 09.12.2019 (art. 14, par. 3, lit. i) which stipulates the competence of Ordinary General Shareholders Meeting to appoint and revoke the financial auditor and to establish the minimum duration of the audit contract, provision which is based on Law 31/1990r, art.111, par. 2, lit. b ¹ .			
Legea nr. 162/2017 privind auditul statutar al situatiilor financiare anuale si al situatiilor financiare consolidate: art. 62 alin.1 prevede „ <i>auditorul financiar sau firma de audit este numita de adunarea generala a actionarilor entitatii auditate</i> ”.	Law no.162/2017 regarding the statutory audit of annual financial statements and of consolidated financial statements: art. 62 par.1 stipulates: “ <i>the financial auditor or audit firm is appointed by the general shareholders assembly....of the audited entity</i> ”.			
5. Continut	5.Content			
a) Introducere	a) Introduction			
In Adunarea Generala Ordinara a Actionarilor Electrica SA din data de 18 septembrie 2018, a fost aprobata numirea în calitate de auditor financiar al Electrica a Deloitte Audit SRL precum si stabilirea duratei contractului de audit financiar la 3 ani, respectiv pentru exercitiile financiare 2018, 2019 si 2020. Drept consecinta, contractul cu auditorul financiar extern curent, Deloitte Audit SRL, s-a	In the Ordinary General Shareholders Meeting dated September 18 th 2018, was approved the appointment of Deloitte Audit SRL as Electrica’s financial auditor as well as determining the contract period for 3 years, respectively for the financial years 2018, 2019 and 2020. As a consequence, the contract with the current external financial auditor, Deloitte Audit SRL, ended after the			

incheiat dupa finalizarea auditului pentru exercitiul financiar 2020.

Conform Regulamentului UE nr. 537/2014, Comitetul de Audit este responsabil de procedura de selectie a auditorului statutar, de monitorizarea independentei acestuia si a calitatii auditului. Conform Regulamentului Comitetului de Audit si Risc, acesta are obligatia verificarii si monitorizarii independentei auditorului financiar.

Aspectele cheie cu privire la selectia noului auditor au fost analizate si discutate de catre Comitetul de Audit si Risc in sedintele din 19 octombrie 2020 si 26 ianuarie 2021, precum si de Consiliul de Administratie ale Electrica SA in sedintele din 20 octombrie 2020 si 26 ianuarie 2021.

In conformitate cu art. 17 alin. (1) din Regulamentul UE nr. 537/2014, entitatea de interes public desemneaza un auditor statutar sau o firma de audit pentru o **prima misiune de cel putin un an**. Misiunea poate fi prelungita. Nici misiunea initiala a unui anumit auditor statutar sau a unei anumite firme de audit si **nici aceasta combinata** cu orice prelungiri ulterioare **nu pot depasi o durata maxima de zece ani**. Durata misiunii de audit se calculeaza de la primul exercitiu financiar vizat de scrisoarea de misiune de audit prin care auditorul statutar sau firma de audit a fost desemnata pentru prima data in vederea desfasurarii de audituri statutare consecutive pentru aceeasi entitate de interes public in conformitate cu art. 17 alin. (8).

Misiunea de audit a Deloitte Audit SRL a inceput cu auditul exercitiului financiar 2018 si a avut o durata de 3 ani. Conform prevederilor Regulamentului UE nr. 537/2014, durata misiunii de audit Deloitte Audit SRL poate fi prelungita pentru o perioada de inca 7 ani.

Conform art. 5 alin. (1) din Regulamentul UE nr. 537/2014, un auditor statutar sau o firma de audit care desfasoara auditul statutar al unei entitati de interes public, sau orice membru al retelei, in cazul in care auditorul statutar sau firma de audit face parte dintr-o retea, **nu presteaza nici direct si nici indirect in beneficiul entitatii auditate**, al intreprinderii-mama a acesteia sau al intreprinderilor controlate de aceasta pe teritoriul Uniunii **niciunul dintre serviciile care nu sunt de audit interzise** in:

(a) perioada de la inceputul perioadei auditate si pana la emiterea raportului de audit; si
(b) exercitiul financiar imediat precedent perioadei mentionata la litera (a) in raport cu serviciile enumerate la al doilea paragraf litera (g).

b) Lista serviciilor de audit financiar si servicii asimilate propuse de managementul executiv, avizate de Comitetul de Audit si Risc si aprobate de Consiliul de Administratie cuprinde:

completion of the audit for the financial year 2020.

According to EU Regulation no. 537/2014, the Audit Committee is responsible for the selection process of the statutory auditor and the oversight of the auditor's independence and audit quality. According to the Audit and Risk Committee Regulation, it has the duty to review and oversight the independence of the financial auditor.

Key aspects related to the selection of the new auditor have been analysed and discussed by the Audit and Risk Committee in the meetings held on October 19th 2020 and January 26th 2021, as well as by the Board of Directors of Electrica SA in the meetings held on October 20th 2020 and January 26th 2021.

In accordance with art. 17 para. (1) of EU Regulation no. 537/2014, the public-interest entity shall appoint a statutory auditor or an audit firm **for an initial engagement for at least one year**. The engagement can be prolonged. Neither the initial engagement of a particular statutory auditor or audit firm, **nor this in combination** with any renewed engagements therewith **shall exceed a maximum duration of ten years**. The duration of the audit engagement shall be calculated as from the first financial year covered in the audit engagement letter in which the statutory auditor or the audit firm was appointed for the first time to carry out consecutive statutory audits for the same public-interest entity in accordance with art. 17 para. (8).

The audit engagement of Deloitte Audit SRL has started with the audit of the financial year 2018 and had a three-year duration. In accordance with the provisions of EU Regulation no. 537/2014, the duration of the audit engagement of Deloitte Audit SRL can be prolonged for a period up to 7 years.

According to art. 5 para. (1) of EU Regulation no. 537/2014, a statutory auditor or an audit firm carrying out the statutory audit of a public-interest entity, or any member of the network to which the statutory auditor or the audit firm belongs, **shall not directly or indirectly provide to the audited company**, its parent company or companies which are controlled by it in the territory of the Union, **any prohibited non-audit services** in:

(a) the period between the beginning of the period audited and the issuing of the audit report; and
(b) the financial year immediately preceding the period referred to in point (a) in relation to the services listed in point (g) of the second subparagraph.

b) The list of financial audit and related services proposed by the executive management, endorsed by the Audit and Risk Committee and approved by the Board of Directors comprises:

<p>i. Servicii de audit financiar a situatiilor financiare anuale individuale intocmite de ELSA in conformitate cu prevederile Ordinului Ministrului Finantelor Publice nr. 2844/2016 pentru aprobarea Reglementarilor contabile conforme cu Standardele Internationale de Raportare Financiara si a situatiilor financiare consolidate intocmite in conformitate cu Standardele Internationale de Raportare Financiara („IFRS”) adoptate de Uniunea Europeana („IFRS-EU”), pentru exercitiile financiare incheiate la 31 decembrie 2021 si 31 decembrie 2022.</p> <p>ii. Servicii de revizuire a situatiilor financiare consolidate interimare simplificate (revizie limitata) intocmite in conformitate cu Standardul International de Contabilitate 34 “Raportare Financiara Interimara”, pentru perioada de sase luni incheiata la 30 iunie 2021 si respectiv 30 iunie 2022.</p> <p>iii. Servicii de analiza si verificare a tranzactiilor ELSA raportate prin rapoarte curente in conformitate cu prevederile art. 92³ alin. 5 din Legea nr. 24/2017 privind emitentii de instrumente financiare si operatiuni de piata, intocmite in conformitate cu Standardele Internationale pentru Servicii Conexe aplicabile misiunilor de proceduri agreeate (“ISRS 4400”) sau in conformitate cu Standardul International “Misiuni de asigurare, altele decat auditurile sau revizuirile informatiilor financiare istorice” (“ISAE 3000”), dupa necesitatile Electrica SA pentru semestrele I si II ale anilor 2021 si respectiv 2022.</p> <p>iv. Servicii privind proceduri agreeate pentru verificarea gradului de indeplinire a indicatorilor financiari prevazuti in contractele de imprumut, intocmite in conformitate cu Standardele Internationale pentru Servicii Conexe aplicabile misiunilor de proceduri agreeate (“ISRS 4400”), pentru o perioada de 2 ani (2021-2022) egala cu durata contractului de audit financiar.</p>	<p>i. Financial audit services of the annual individual financial statements of ELSA prepared in accordance with the Ministry of Public Finance Order no. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards (“IFRS”) and of the annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by European Union („IFRS-EU”), for the financial years ended 31 December 2021 and 31 December 2022.</p> <p>ii. Review services (limited review) of the condensed consolidated interim financial statements prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, for the six month periods ended 30 June 2021 and 30 June 2022.</p> <p>iii. Procedures for the verification of transactions reported by current reports in accordance with the provisions of art. 92³ par. 5 of Law no. 24/2017 on issuers of financial instruments and market operations, in accordance with International Standards for Related Services applicable to agreed upon procedures („ISRS 4400”) or in accordance with International Standard on Assurance Engagements, other than audits or reviews of historical financial information (“ISAE 3000”), upon Electrica SA requirements, for the first and second semester of 2021 and 2022, respectively.</p> <p>iv. Agreed upon procedurs services for the verification of the degree of fulfilment of the financial indicators stipulated in the loan agreements, in accordance with International Standards for Related Services applicable to agreed upon procedures („ISRS 4400) for a period of 2 years (2021-2022), equal to the duration of the financial audit contract.</p>
<p>Consiliul de Administratie a avizat favorabil in sedinta din data de 26 ianuarie 2021, in vederea inaintarii spre aprobarea de catre Adunarea Generala Ordinara a Actionarilor Electrica SA, prelungirea mandatului firmei Deloitte Audit SRL in calitate de auditor financiar al Electrica S.A., pe o perioada de 2 ani, respectiv pentru exercitiile financiare 2021 si 2022.</p> <p>Durata de contractare propusa este in linie cu practicile companiilor din domeniul energie, gaze si utilitati listate pe piata de capital si indeplineste nevoia de stabilitate si intelegere a activitatii specifice a Grupului, si in acelasi</p>	<p>In the meeting held on January 26th 2021, the Board of Directors has endorsed with the aim to submit for the approval of the Ordinary General Shareholders Meeting of Electrica SA, the extension of the mandate of the financial auditor, Deloitte Audit SRL for a period of 2 years, respectively for the financial years 2021 and 2022.</p> <p>The proposed duration of the contract is in line with the practices of the companies within the energy, gas and utilities sector, which are listed on the capital market and meets the need for stability and understanding of the specific</p>

<p>timp reduce riscul de familiaritate cu auditorul si potentiala lipsa de flexibilitate.</p> <p>c) Propunerea</p> <p>In conditiile prezentate, este supusa aprobarii Adunarii Generale Ordinare a Actionarilor propunerea privind prelungirea mandatului firmei Deloitte Audit SRL, societate cu raspundere limitata infiintata si care functioneaza in conformitate cu legislatia din Romania, avand sediul social Bucuresti, Sectorul 1, Cladirea The Mark, Calea Grivitei, Nr. 84-98 si 100-102, etajul 8 si etajul 9, Romania, inregistrata la Registrul Comertului sub numarul J40/6775/1995, cod unic de inregistrare (CUI) 7756924, avand autorizatia nr. 25, emisa de Camera Auditorilor Financiari din Romania la data de 25.06.2001 si inregistrata in Registrul Public electronic al Autoritatii pentru Supravegherea Publica a Activitatii de Audit Statutar (“ASPAAS”) cu nr. FA25, in calitate de auditor financiar al Electrica S.A., pe o perioada de 2 ani, respectiv pentru exercitiile financiare 2021 si 2022.</p>	<p>activity of the Group, while reducing the risk of familiarity with the auditor and potential lack of flexibility.</p> <p>c) Propunerea</p> <p>Based on the above mentioned, we submit for the approval of the Ordinary General Shareholders Meeting the proposal to extend the mandate of Deloitte Audit SRL, a limited liability company established and operating in accordance with the Romanian legislation, having its registered office in Bucharest, District 1, No. 84-98 and 100-102, Calea Grivitei Road, The Mark Building, floors 8 and 9, Romania, registered with the Trade Register under the number J40/6775/1995, sole registration code (CUI) 7756924, with authorization no. 25, issued by the Romanian Chamber of Financial Auditors on 25.06.2001 and registered in the Electronic Public Register of the Authority for Public Supervision of the Statutory Audit Activity (“ASPAAS”) with no. FA25, as financial auditor of Electrica S.A., for a period of 2 years, respectively for the financial years 2021 and 2022.</p>
<p>5. Avize (dupa caz):</p>	<p>5.Endorsements (as the case may be):</p>
<p>a. Financiar: Onorariile pentru serviciile de audit financiar (inclusiv audit statutar) asa cum sunt prezentate mai sus sunt in suma totala de 491.000 EUR pe intreaga perioada contractuala (fara TVA).</p>	<p>a. Financial: Audit fees for the financial audit services (including statutory audit), as presented above are in total amount of EUR 491,000 for the entire contract duration (VAT excluded).</p>
<p>b. Strategie:</p>	<p>b. Strategy:</p>
<p>c. Riscuri:</p>	<p>c. Risks:</p>
<p>Director Financiar/CFO Mihai DARIE</p>	<p>Semnatura/ Signature</p>
<p>Director Contabilitate, Raportare si Taxe/ Head of Accounting, Reporting and Tax Oana CRISTESCU</p>	<p>Semnatura/ Signature</p>