



UZTEL S.A.

OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS

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CURRENT RAPORT

In compliance with Law no.24/2017 regarding Issuers of Financial Instruments and Market Operations and F.S.A. Regulation no. 5/2018

Report date: **29.07.2019**

Company name: **UZTEL S.A.**

Adress: **Ploiesti, Mihai Bravu nr.243, jud. Prahova**

Phone/fax no : **0244-523.455 / 0244-521.181**

Fiscal code: **RO 1352846**

Trade Register registration number: **J29/48/1991**

Subscribed and paid in share capital: **13.413.647,50 lei**

The regulated market on which it is traded : **Bucharest Stock Exchange**

Signifiant event to be reported:

Publication of the Auditor Report regarding transactions reported according to art. 82 from Law no. 24/2017 – Semester I 2019.

In compliance with art.144 let.B, paragraph 4 of F.S.A. Regulation no.5/2018 regarding Issuers of Financial Instruments and Market Operations, UZTEL S.A. submits for publications the Auditor Report regarding tranactions reported according to art.82 from Law no. 24/2017,during Semester I 2019.

The report is also available on the company's website www.uztel.ro, Shareholder Section / Current Reports 2019, as well as in the link below:

**Chief Executive Officer,
Zidaru Ion**



ECOTEH EXPERT SRL BUCURESTI

Audit financiar, audit intern, expertize contabile judiciare si
extrajudiciare consultanta fiscala, contabilitate
Autorizatie CAFR nr. 120/2001

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To the Management of UZTEL SA

Independent Report on the Limited Assurance on the information included in the Current Report issued by the Company in accordance with the requirements of Law 24/2017 and the ASF Regulation no.5 / 2018

1. We have been employed by UZTEL SA (hereinafter referred to as the "Company") to report on the information included in the Current Report dated 14.03.2019 prepared by the Company in accordance with the provisions of Article 82 (the "Criteria") of the *Law No. 24/2017 on Issuers of Financial Instruments and Article 144, paragraph B, paragraph 4 of Regulation No.5 / 2018 of the Financial Supervisory Authority ("ASF") on Issuers and Operations with Securities*. The Current Report was prepared by the Company to report to ASF and the Bucharest Stock Exchange ("BVB") in accordance with the requirements of Article 82 of Law no. 24/2017 and Regulation No.5 ASF / 2018.

The Specific Purpose

2. This Report is solely for the purpose specified in the first paragraph above and for your information and should not be used for other purposes. The audit report refers exclusively to the Current Report and should not be associated with the Company's financial statements taken as a whole.

Our procedures were performed exclusively on the related transactions to first semester of 2019, concluded by the Company, as presented in the Current Report dated 14.03.2019.

Responsibility of Management

3. The Management of the Company has the responsibility to prepare the Current Report in accordance with the requirements of the Law no.24 / 2017 art.82. In particular, the management of UZTEL SA is responsible for the design and implementation of internal controls that allow the preparation of current reports so that they are free of significant distortions. Company Leadership is responsible for preventing and identifying fraud and ensuring compliance with the laws and regulations in force.

The Management of the Company is also responsible for ensuring that the documents provided to the auditors are complete and correct and that the supporting documents are adequate in relation to the Current Report, the staff involved in the preparation of the Current Report is properly prepared and the documents presented in the Current Report do not contain significant errors due to fraud or error.

Criteria

4. According to art. 82 of the Law no. 24/2017 regarding the capital market and art.144 letter B of the ASF Regulation no.5 / 2018, the Administrators of the issuers whose securities are admitted to trading on a regulated market are obliged to report any legal act concluded by the issuer with the administrators, the employees holding the control, as well as with the persons with whom they act concerted, when the cumulated value represents at least the equivalent in lei of 50,000 Euros, considered *Criterion*.

Auditor's Responsibility

5. Our assurance mission was conducted in accordance with International Standards on Assurance Engagements, namely ISAE 3000 (revised) adopted by the Chamber of Financial Auditors in Romania. These regulations require that we comply with ethical standards and plan and perform the assurance mission so that we can obtain a limited assurance that the reported transactions included in the Current Report are in all material respects consistent with Article 144 (B) (4) of Regulation No 5/2018 as the basis for the conclusion our limited assurance independence.

6. We apply the International Standard on Quality Control (ISQC 1) and, as a result, maintain a solid quality control system, including policies and procedures that document compliance with Professional Standards and applicable legal and regulatory requirements. We respect the independence requirements and other ethical requirements of IESBA's Ethics Code of Professional Professionals, which set out the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.
7. The procedures selected depend on the auditor's reasoning. Procedures include, in particular, interviews with staff responsible for financial reporting and risk management as well as additional procedures aimed at obtaining evidence on the Current Report and Transactions in this Report. We took into consideration the relevant internal control for the preparation and presentation of the Current Report in accordance with the requirements of Article 82 of Law 24/2017 and ASF Regulation No.5 / 2018 in order to establish the relevant procedures in that respect but not to express its conclusion on the effectiveness of the internal control of the Company in preparing and presenting the Current Report and in performing the transactions in this report.
8. The assurance engagement performed is a limited liability assurance. The nature, timing and extent of procedures performed within a limited assurance assignment are limited compared to those required in a reasonable assurance engagement. As a result, the assurance level obtained under a limited liability assurance is lower.
9. As part of this engagement, we have not performed audit, review or verification procedures on the Current Report and the transactions reported therein in accordance with the International Standards on Auditing or the International Standards on Review Engagements adopted by the Chamber of Financial Auditors in Romania, nor on the sources from which the transactions in the Current Report were extracted. We have not performed any additional procedures to verify that the Current Report includes all contracts with directors, employees, shareholders holding control, and their affiliates, to be reported in accordance with Article 82 of Law 24/2017, as amended, for between January 1 and June 30, 2019.

Procedures performed

10. Regarding the Current Report, we performed the following procedures :

- We obtained from the Company the Current Report attached and verified that the signatures included in it are of the Company's representatives and we compared the details that are required to be included in this report according to Article 82 of the Law no. 24/2017 with the information included in the report by the Company.
- We have discussed with the management of the Company how these prices have been established and whether they have been agreed upon. We analyzed whether the transactions in the Current Report are based on the approved and signed contract.
- For the framework contract and the orders we analyzed we determined whether the details correspond to all the significant aspects with the information included in the contract and the signed orders made available to us and if they correspond to the list of authorized signatures provided to us. Where appropriate, we compared whether the details included in the Current Report correspond to the documentation related to the contract; the parties that have signed the legal documents; the date on which the documentation was signed and its nature; the total value of the contract; where applicable, the contractual terms and conditions.
- We compared if the details presented in the Current Report correspond to the information provided by the company's management, as well as to the documentation related to the respective contract at the level of detail ;
- Based on the discussions we have had with the management of the Company and as a result of examining the Company's policies and procedures, we have analyzed how the Company's transactions with its directors, officers and significant shareholders, as well as the persons involved with them, are in line with the Company's policies and procedures.
- To the extent that there is a market price for the goods or services provided to the Company by the directors, staff and significant shareholders, as well as the persons involved with them, we have analyzed with the management of the Company how these prices were set and if, from on a case-by-case basis, the agreed prices correspond to those used by other parties (third parties) for similar services.

Our procedures have been applied only to transactions relating to the period 1 January to 30 June, relating to the Current Report.

We did not perform any procedure to verify that the Current Report includes all the transactions and details that the Company must report pursuant to Article 82 of Law No.24 / 2017 for that period.

In conclusion:

11. Based on the procedures and evidence obtained above regarding the legal documents included in the Current Report, we have not noticed anything that might lead us to consider that:
 - a) The details given in the Current Report attached are not in accordance with the contract and the orders made available by the Company;
 - b) The details given in the Current Report do not comply, in all material respects, with the legal requirements;
 - c) The Contract in the Current Report was not duly authorized by the Company's representatives;
 - d) The agreed prices between the parties have not been agreed by the type of products / services and other terms and conditions stipulated in the contract between the parties;
 - e) The terms and conditions stipulated by the parties included in the contract as reported by the Company, by the directors, its personnel and its significant shareholders as well as the persons involved, have not been established on the basis of the contract signed by the Company regarding the nature of the services and other terms and conditions stipulated by the parties.

Our report is issued only for the purpose set out in paragraph 2 of this report for your information and should not be used for other purposes

The report only refers to the Current Report and should not be extended to other reports of the Company taken individually or collectively.

For and on behalf of S.C. ECOTEH EXPERT S.R.L.

Headquarters - BUCHAREST, str. Lt. Dumitru Ganovici no. 2 floor 1 sector 3 Registered at the Chamber of Financial Auditors of Romania under no. 120/2001 temporarily endorsed ASPAAS with No.342 / 2019 series FA 19

Olguța CODESCU

Financial Auditor, Bucharest, Str. Lt. Dumitru Ganovici no 2, sector 3, temporarily notified ASPAAS with no.759 / AF 19 series

Registered at the Chamber of Financial Auditors of Romania under no. 947/2001, Bucharest, 25.07.2019