



NUCLEARELECTRICA



Approved,

Robert Tudorache
Chairman of the Board of Directors

NOTE

on the approval by the Extraordinary General Meeting of the Shareholders of necessary measures to provide the continuity of Cernavoda NPP Units 3 and 4 and the finalization of the negotiations with the selected investor

1. Introduction

By the letter of the Department for Privatization and State Energy Interest Management (DGPAPSE) no. 261387 /June 25th, 2018, NPP was informed about the approval, during in the Government meeting as of June 21st, 2018, in the *confidential section*, of the Memorandum on the "Approval of the necessary measures to provide the continuity of Units 3 and 4 in Cernavoda NPP Project and the finalization of the negotiations with the selected investor". At the same time, DGPAPSE requested to NPP to take the necessary steps in order to implement the provisions of the Government Memorandum.

2. General aspects /competence

The following have been approved by Resolution no. 7 of the Extraordinary General Meeting of the Shareholders of NPP/ August 22nd, 2014:

- (i) *Continuation Strategy of the Project on Units 3 and 4 at Cernavoda NPP by the organization of a competitive selection procedure for a private investor (the "Strategy");*
- (ii) *The mandate granted to the Board of Directors to initiate and carry out the selection procedure along with the Negotiation Commission, in compliance with the Strategy approved by the general meeting of the shareholders.*

What was approved by the Resolution of the Extraordinary General Meeting of the Shareholders of NPP no. 4/March 2nd, 2018 was *the continuation of the negotiations on the Investment Documents within the same conditions in the Memorandum of Understanding, for 6 months after the institution and corporate approval date, with the application of all the other provisions of the Memorandum of Understanding, including the possibility for either party to terminate the Memorandum of Understanding without any compensation, by a simple written notification to the other Party, if an agreement has not been reached on the Investment Documents, and insofar as the delay has not been caused by such Party.*

Considering the following:

- The fact that the measures necessary in order to provide the continuity of Units 3 and 4 of

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Running number with the Trade Register: J40/7403/1998, Sole Registration Code: 10874881,

Subscribed and paid-up share capital: RON 3,015,138,510

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Cernavoda NPP and the finalization of the negotiations with the selected investor identified in the Government Memorandum approved on June 21st, 2018 aim at amendment to the Strategy;

- The necessity to extend the deadline for the finalization of the negotiations approved by the Extraordinary General Meeting of the Shareholders of NPP, which expires on September 2nd, 2018;
- In virtue of the provisions of art. 14 paragraph (2) and art. 13 paragraph (3) letter o) of the updated Articles of Incorporation of NPP, as well as in virtue of the provisions of art. 113 letter m) of the Companies Law no. 31/1990,

the competence to approve **the reviewed Strategy for the continuation of the Project at Units 3 and 4 of Cernavoda NPP** (presented in Annex 1) as well as the implementation of the measures identified in the Government Memorandum approved on June 21st, 2018, is incumbent upon the Extraordinary General Meeting of the Shareholders of NPP.

3. Proposals subject to the approval of the Extraordinary General Meeting of Shareholders of SNN

Considering the aforementioned, the approval of the Extraordinary General Meeting of the Shareholders of NPP:

1) The approval of the reviewed form of the Project Continuation Strategy, with the recognition of the milestones performed to date, including those performed according to the provisions of the Government Memorandum no. 20/12683/MB as of July 13th, 2017 and the subsequent mandate granted to the Board of Directors of NPP by Resolution no. 6/August 24th, 2017 of the General Meeting of the Shareholders, in the sense of:

- a. the reorganization of the existing negotiation/approval stages and termination of the activity of the designated committees (the Negotiation Committee and Inter-Ministry Committee), the negotiations being subsequently conducted by a negotiation committee appointed by the executive management of NPP;
- b. the amendment of art. 8.14 in the sense that the draft Investor Agreement and the Articles of Incorporation of JVCo will be subject to the approval of the General Meeting of Shareholders of NPP, within the limits of the competences and duties thereof

2) granting mandate to the Board of Directors of NPP in order to establish the terms and conditions for the continuation of the negotiations, so as to allow the establishment of a joint venture company for the project ("JVCo") with CGN, as well as for the implementation of the reviewed Strategy according to section 2 above.

3) approval of the continuation of the negotiations on the Investment Documents within the same conditions in the Memorandum of Understanding, for a period of 6 months after the corporate approval date, with the application of all the other provisions of the Memorandum of Understanding, including the possibility for either party to terminate the Memorandum of Understanding without any compensation by a simple written notification to the other Party, if an agreement has not been reached on the Investment Documents, and insofar as the delay has not been caused by such Party.

Cosmin Ghiță

General Manager

Dan Laurentiu Tudor
Deputy General Manager

Lary-Viorel Țoni
Deputy General Manager