

NOTE

**regarding the submission for endorsement, by
The Board of Directors of S.N. Nuclearelectrica S.A. ("SNN"), for the purpose of
submission for approval, by the Extraordinary General Meeting of the shareholders, of the
amendment of the SNN's Articles of Incorporation, by introducing a new NACE code
regarding the uranium and thorium ores extraction activities.**

1. Presentation of the context

In 2017, SNN decided to contract a Study to identify, quantify and propose the optimal solutions for SNN in terms of ensuring the availability of raw material for the manufacture of nuclear fuel at the FCN Pitesti branch. The author of the Study identified that the optimal scenario for SNN is to purchase uranium octoxide (U_3O_8) from the market, to process it at the plant in Feldioara (branch belonging to the National Company of Uranium S.A. - "NCU"), as well as procure uranium dioxide (UO_2), to be used by FCN Pitesti (SNN Branch) for the manufacture of nuclear fuel.

In the meeting of 22.03.2018 of the Board of Directors (BD) of the SNN, the "Strategy for Diversifying the Sources of Supply with Raw Material Necessary for the Production of Nuclear Fuel" was approved, a Strategy that was subsequently approved by the Extraordinary General Assembly of the Shareholders (EGES) in the meeting of 25.04.2018 (item 8 of the agenda). Mainly, this Strategy provides for the initiation of a procedure to evaluate the optimal solution regarding the development of a self-capacity to process uranium oxide (U_3O_8) in uranium dioxide (UO_2). In connection with the different versions considered as referred above, an internal SNN analysis **highlighted the feasibility of the U_3O_8 processing option by the taking-over, by SNN, of the processing line from NCU - Feldioara Branch.**

2. Potential Takeover of Assets from NCU-Feldioara

According to the EGES Decision no. 9/22.08.2018 and the EGES Decision no.7/20.05.2019, the necessary actions were approved for performing a due diligence analysis in view of a potential takeover of assets by SNN from NCU, Feldioara branch.

SNN has expressed its interest both for initiating the due diligence analysis by requesting the necessary documents and information from NCU, and for the potential takeover, by SNN, of the NCU assets - Feldioara Branch, with the purpose of maintaining the integrated fuel cycle as a competitive advantage for both companies.

Based on these possible steps in conjunction with the fact that the NCU is in a difficult economic-financial situation, SNN considers that it may become appropriate to evaluate other NCU assets such as ore processing, extraction and concentration assets and/or take over the concessions of perimeters which could be the object of opening new uranium mines (with the mention that, at this moment, according to the provisions of Law no. 193/2018, NCU has an exclusive right to process and supply uranium on the Romanian market).

Therefore, in the preparation of an eventual takeover of assets from the NCU and considering that:

- NCU's financial difficulties may not allow it to renew this license

○ SNN could benefit from taking over this license (the benefit is to be evaluated and depends to a large extent on the availability of the shareholders of NCU to yield/sell these assets), a possible necessity is foreseen to introduce, in the Articles of Incorporation of the SNN, some new secondary activities.

We make the following mention: these new secondary activities, which are the subject of this Memorandum and which would complement the SNN main activity, are, in turn, secondary activities related to the main activity, which is the mining/extraction of uranium and thorium. At this point, however, the activity of mining/extraction of uranium and thorium already exists in the (secondary) object of activity of SNN – it is about NACE Code – 0721 Extraction of uranium and thorium ores, and therefore, it is not necessary to modify the main activity of SNN in this respect. However, it is necessary to modify/supplement the SNN main activity with some secondary activities, which are closely related to the mining/extraction of uranium and thorium activity and which, therefore, would be provided by SNN if and to the extent in which SNN will begin to carry out uranium mining activities.

3. Proposals subject to BD approval

Considering the above, as well as the following aspects:

- The provisions of art. 113, single paragraph, point c) of the Companies Law no. 31/1990 (Companies Law), republished, with the updated amendments, according to which “The Extraordinary General Assembly meets whenever it is necessary to make a decision for [...] c) changing the company’s main activity”;
- The provisions of art. 114 paragraph (1) of the Companies Law, according to which “The exercise of attributions provided for in art. 113 point b), c) and f) may be delegated to the board of directors, respectively to the directorate, by the Articles of Incorporation or by decision of the extraordinary general meeting of the shareholders. Delegation of the attributions provided in art. 113 point c) cannot pertain to the company’s field and main activity”;
- The provisions of art. 6 of the SNN’s Articles of Incorporation, according to which "The modification of the main activity will be made by decision of the Extraordinary General Meeting of Shareholders, under the conditions and in compliance with the legislation in force”;
- The provisions of art. 13 paragraph (3) point c) of the SNN’s Articles of Incorporation, according to which "the Extraordinary General Meeting of Shareholders has the right to decide on [...] c) the modification of the company’s main activity”;
- The provisions of art. 20 paragraph (2) point g) of the SNN's Articles of Incorporation, according to which the BD has attributions (which cannot be delegated to the directors) regarding the "approval of the change of the main activity, without being able to pertain to the main field and activity of the company”;
- The provisions of art. 5 paragraph (2) and (3) of the SNN's Articles of Incorporation, regarding the main field and activity of the SNN, respectively „Main field of activity – NACE code 351 – Production, transportation and distribution of electricity and Main activity – NACE code 3511 – Production of electricity”;
- The provisions of art. 5 paragraph (4) of the SNN’s Articles of Incorporation, regarding the company’s secondary objects of activity;
- The fact that the activities mentioned in the present memorandum are to represent other potential secondary activities of the SNN, in close connection to the activity of mining/extraction of uranium, which are activities related/secondary to this activity,

we submit for endorsement by the SNN Board of Directors, and we submit for approval by the Extraordinary General Meeting of Shareholders of SNN, the following:

- ✓ **Amendment of the SNN's Articles of Incorporation, by introducing, at art. 5 paragraph (4), the new NACE codes, corresponding to the new secondary activities, respectively the following NACE codes:**
 1. **0210** – Silviculture and other forestry activities
 2. **0710** – Mining of iron ores
 3. **0729** – Mining of other non-ferrous metal ores
 4. **0811** – Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate
 5. **0812** – Operation of gravel and sand pits; mining of clays and kaolin
 6. **0891** – Mining of chemical and fertiliser minerals
 7. **0899** – Other mining and quarrying n.e.c.
 8. **2370** – Cutting, shaping and finishing of stone
 9. **2391** – Production of abrasive products
 10. **2399** – Manufacture of other non-metallic mineral products n.e.c.
 11. **2892** – Manufacture of machinery for mining, quarrying and construction
 12. **3812** – Collection of hazardous waste
 13. **4313** – Test drilling and boring
 14. **4671** – Wholesale of solid, liquid and gaseous fuels and related products
 15. **4676** – Wholesale of other intermediate products
 16. **4690** – Non-specialized wholesale trade
 17. **4920** – Freight rail transport
 18. **8690** – Other human health activities
- ✓ **Mandating the SNN Board of Directors to carry out the entire amendment procedure and all the formalities required by the law for the modification of the company's secondary activity, as referred to by the terms of this Memorandum, this mandate including – without being limited to – the signing of any documents in connection to this process, including the Additional Act to the Articles of Incorporation, regarding the modification of the company's secondary object of activity, the carrying out of formalities at the relevant Trade Register Office, obtaining, if necessary, the opinions required by law, etc. For the implementation of this mandate, the Board of Directors, through its President, will be able to empower any person within SNN to sign the documents and to carry out the formalities required by law to modify the main activity of the company in accordance with those provided in this Memorandum.**

Managing Director – Cosmin Ghiță

Deputy General Manager – Dan Laurentiu Tudor

Financial Director – Adrian Dumitriu

Director of Operations – Romeo Urjan

Legal Director – Laura Constantin

Appendix:

Modified form of art. 5 of the SNN Articles of Incorporation:

„Chapter 2 – Purpose and main activity

Purpose and main activity

Art. 5. (1) Nuclearelectrica aims to produce and sell electricity, by bringing into effect, in compliance with the legislation in force, commercial documents corresponding to the main activity approved by these Articles of Incorporation.

(2) Main field of activity: NACE code 351 – Production, transportation and distribution of electricity

(3) Main activity of the company: NACE code 3511 – Production of electricity

(4) Secondly, the company also carries out the following activities:

NACE code – 0162 Support activities for animal production;

NACE code – 0210 Silviculture and other forestry activities;

NACE code – 0240 Support services to forestry;

NACE code – 0710 Mining of iron ores;

NACE code – 0721 Mining of uranium and thorium ores;

NACE code – 0729 Mining of other non-ferrous metal ores;

NACE code – 0811 Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate;

NACE code – 0812 Operation of gravel and sand pits; mining of clays and kaolin;

NACE code – 0891 Mining of chemical and fertiliser minerals;

NACE code – 0899 Other mining and quarrying n.e.c.;

NACE code – 0990 Support activities for other mining and quarrying;

NACE code – 1071 Manufacture of bread; manufacture of fresh pastry goods and cakes;

NACE code – 1072 Manufacture of rusks and biscuits; manufacture of preserved

pastry goods and cakes;

NACE code – 1085 Manufacture of prepared meals and dishes;

NACE code – 1089 Manufacture of other food products n.e.c.;

NACE code – 1610 Sawmilling and planing of wood;

NACE code – 1622 Manufacture of assembled parquet floors;

NACE code – 1623 Manufacture of other builders' carpentry and joinery;

NACE code – 1624 Manufacture of wooden containers;

NACE code – 1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials;

NACE code – 1723 Manufacture of paper stationery;

NACE code – 1812 Other printing n.e.c.;

NACE code – 1813 Pre-press and pre-media services;

NACE code – 1814 Binding and related services;

NACE Code – 1820 Reproduction of recorded media;

NACE Code – 2011 Manufacture of industrial gases;

NACE Code – 2013 Manufacture of other inorganic basic chemicals;

NACE code – 2120 Manufacture of pharmaceutical preparations;

NACE code – 2369 Manufacture of other articles of concrete, plaster and cement;

NACE code – 2370 Cutting, shaping and finishing of stone;

NACE code – 2391 Production of abrasive products;

NACE code – 2399 Manufacture of other non-metallic mineral products n.e.c.;

NACE code – 2433 Cold forming or folding;

NACE code – 2446 Processing of nuclear fuel;

NACE code – 2511 Manufacture of metal constructions and parts of structures;

NACE code – 2512 Manufacture of metal doors and windows;

NACE code – 2550 Forging, pressing, stamping and roll-forming of metal; powder metallurgy;

NACE code – 2561 Treatment and coating of metals;

NACE code – 2562 Machining;

NACE code – 2571 Manufacture of cutlery;
NACE code – 2592 Manufacture of light metal packaging;
NACE code – 2593 Manufacture of wire products, chain and springs;
NACE code – 2594 Manufacture of fasteners and screw machine products;
NACE code – 2599 Manufacture of other fabricated metal products n.e.c.;
NACE code – 2812 Manufacture of fluid power equipment;
NACE code – 2813 Manufacture of pumps and compressors;
NACE code – 2815 Manufacture of bearings, gears, gearing and driving elements;
NACE code – 2822 Manufacture of lifting and handling equipment;
NACE code – 2892 Manufacture of machinery for mining, quarrying and construction;
NACE code – 3299 Other manufacturing n.e.c.;
NACE code – 3311 Repair of fabricated metal products;
NACE code – 3312 Repair of machinery;
NACE code – 3319 Repair of other equipment;
NACE code – 3320 Installation of industrial machinery and equipment;
NACE code – 3513 Distribution and marketing of electricity;
NACE code – 3514 Trade of electricity;
NACE code – 3530 Steam and air conditioning supply;
NACE code – 3600 Water collection, treatment and supply;
NACE code – 3700 Sewerage;
NACE code – 3811 Collection of non-hazardous waste;
NACE code – 3812 Collection of hazardous waste;
NACE code – 3821 Treatment and disposal of non-hazardous waste;
NACE code – 3822 Treatment and disposal of hazardous waste;
NACE code – 3831 Dismantling of wrecks for recovery of materials;
NACE code – 3832 Recovery of sorted recyclable materials;
NACE code – 3900 Remediation activities and other waste management services;
NACE code – 4110 Development of building projects;
NACE code – 4120 Construction of residential and non-residential buildings;
NACE code – 4211 Construction of highways, roads, aerodromes and sports facilities;
NACE code – 4212 Construction of railways and underground railways;
NACE code – 4213 Construction of bridges and tunnels;
NACE code – 4221 Construction of utility projects for fluids;
NACE code – 4291 Construction of water projects;
NACE code – 4299 Construction of other civil engineering projects n.e.c.;
NACE code – 4311 Demolition;
NACE code – 4312 Site preparation;
NACE code – 4313 Test drilling and boring;
NACE code – 4321 Electrical installation;
NACE code – 4322 Plumbing, heat and air-conditioning installation;
NACE code – 4329 Other construction installation;
NACE code – 4331 Plastering;
NACE code – 4332 Joinery and carpentry works;
NACE code – 4333 Floor and wall covering;
NACE code – 4334 Painting, glazing and installation of windows;
NACE code – 4339 Other building completion and finishing;
NACE code – 4391 Roofing and scaffolding works and terraces for construction;
NACE code – 4399 Other specialised construction activities n.e.c.;
NACE code – 4511 Sale of cars and light motor vehicles (under 3.5 tons);
NACE code – 4519 Sale of other motor vehicles;
NACE code – 4520 Maintenance and repair of motor vehicles;

NACE code – 4662 Wholesale of machine tools;
NACE code – 4671 Wholesale of solid, liquid and gaseous fuels and related products;
NACE code – 4676 Wholesale of other intermediate products;
NACE code – 4677 Wholesale of waste and scrap;
NACE code – 4690 Non-specialized wholesale trade;
NACE code – 4721 Retail sale of fresh fruits and vegetables in specialised stores;
NACE code – 4725 Retail sale of beverages in specialised stores;
NACE code – 4729 Other retail sale of food in specialised stores;
NACE code – 4920 Freight rail transport;
NACE code – 4931 Urban and suburban passenger land transport;
NACE code – 4939 Other passenger land transport n.e.c.;
NACE code – 4941 Freight transport by road;
NACE code – 4942 Removal services;
NACE code – 5030 Inland passenger water transport;
NACE code – 5040 Inland freight water transport;
NACE code – 5210 Warehousing and storage;
NACE code – Service activities incidental to water transportation;
NACE code – 5224 Cargo handling;
NACE code – 5320 Other courier activities;
NACE code – 5510 Hotels and similar accommodation;
NACE code – 5520 Holiday and other short-stay accommodation;
NACE code – 5530 Camping grounds, recreational vehicle parks and trailer parks;
NACE code – 5590 Other accommodation;
NACE code – 5610 Restaurants;
NACE code – 5621 Event catering activities and other catering;
NACE code – 5629 Other food service activities;
NACE code – 5811 Book publishing;
NACE code – 5812 Publishing of directories and mailing lists;
NACE code – 5813 Publishing of newspapers;
NACE code – 5814 Publishing of journals and periodicals;
NACE code – 5819 Other publishing activities;
NACE code – 5821 Publishing of computer games;
NACE code – 5829 Other software publishing;
NACE code – 5920 Sound recording and music publishing activities;
NACE code – 6010 Radio broadcasting;
NACE code – 6020 Television programming and broadcasting activities;
NACE code – 6110 Wired telecommunications activities;
NACE code – 6120 Telecommunications activities via wireless networks (exclusively via satellite);
NACE code – 6130 Satellite telecommunications activities;
NACE code – 6190 Other telecommunications activities;
NACE code – 6201 Computer programming activities (customer-oriented software);
NACE code – 6202 Computer consultancy activities;
NACE code – 6203 Computer facilities management activities;
NACE code – 6209 Other information technology and computer service activities;
NACE code – 6311 Data processing, hosting and related activities;
NACE code – 6399 Other information service activities n.e.c.;
NACE code – 6420 Activities of holding companies;
NACE code – 6810 Buying and selling of own real estate;
NACE code – 6820 Renting and operating of own or rented real estate;
NACE code – 6832 Management of real estate on a fee or contract basis;
NACE code – 7010 Activities of head offices;

NACE code – 7021 Public relations and communication activities;
 NACE code – 7022 Business and management consultancy activities;
 NACE code – 7111 Architectural activities;
 NACE code – 7112 Engineering activities and related technical consultancy;
 NACE code – 7120 Technical testing and analysis;
 NACE code – 7211 Research and experimental development on biotechnology;
 NACE code – 7219 Other research and experimental development on natural sciences and engineering;
 NACE code – 7220 Research and experimental development on social sciences and humanities;
 NACE code – 7311 Advertising agencies;
 NACE code – 7312 Media representation;
 NACE code – 7320 Market research and public opinion polling;
 NACE code – 7410 Specialized design activities;
 NACE code – 7420 Photographic activities;
 NACE code – 7430 Translation and interpretation activities;
 NACE code – 7490 Other professional, scientific and technical activities n.e.c.;
 NACE code – 7711 Renting and leasing of cars and light motor vehicles;
 NACE code – 7712 Renting and leasing of trucks;
 NACE code – 7734 Renting and leasing of water transport equipment;
 NACE code – 7739 Renting and leasing of other machinery, equipment and tangible goods n.e.c.;
 NACE code – 7740 Leasing of intellectual property and similar products, except copyrighted works;
 NACE code – 7810 Activities of employment placement agencies;
 NACE code – 7820 Temporary employment agency activities;
 NACE code – 7830 Other human resources provision;
 NACE code – 7990 Other reservation service and related activities;
 NACE code – 8020 Security systems service activities;
 NACE code – 8110 Combined facilities support activities;
 NACE code – 8121 General cleaning of buildings;
 NACE code – 8122 Other building and industrial cleaning activities;
 NACE code – 8129 Other cleaning activities;
 NACE code – 8211 Combined office administrative service activities;
 NACE code – 8219 Photocopying, document preparation and other specialised office support activities;
 NACE code – 8230 Organisation of conventions and trade shows;
 NACE code – 8291 Activities of collection agencies and credit bureaus;
 NACE code – 8292 Packaging activities;
 NACE code – 8299 Other business support service activities n.e.c.;
 NACE code – 8425 Firefighting and fire prevention activities;
 NACE code – 8532 Technical and vocational secondary education;
 NACE code – 8551 Sports and recreation education;
 NACE code – 8552 Cultural education (foreign languages, music, theater, dance, arts) and crafts, etc);
 NACE code – 8559 Other education n.e.c.;
 NACE code – 8560 Educational support activities;
 NACE code – 8690 Other human health activities;
 NACE code – 9312 Activities of sports clubs;
 NACE code – 9319 Other sports activities;
 NACE code – 9329 Other amusement and recreation activities;
 NACE code – 9411 Activities of business and employers' membership organisations;
 NACE code – 9412 Activities of professional membership organisations;

NACE code – 9511 Repair of computers and peripheral equipment;
NACE code – 9601 Washing and (dry-)cleaning of textile and fur products.