



**Endorsed**  
**Board of Directors,**  
**Chairman**  
**Teodor Minodor Chirica**

## **NOTE on the approval of the proposals to amend the Articles of Incorporation of National Company Nuclearelectrica S.A.**

### **I. General Aspects/Competence**

In compliance with the relevant legal provisions in force, the Extraordinary General Meeting of Shareholders has the competence to approve the proposals to amend the Articles of Incorporation of National Company Nuclearelectrica S.A. (hereinafter referred to as "SNN").

The applicable legal basis is represented by:

- Companies Law No. 31/1990, republished, as further amended and supplemented ("Law No. 31/1990");
- Government Emergency Ordinance No. 109/2011 on the corporate governance of the state-owned enterprises, as further amended and supplemented ("GEO No. 109/2011");
- Law No. 24/2017 on the issuers of financial instruments and market operations, as further amended and supplemented;
- Art. 13 par. (3), let. o) of the Articles of Incorporation of SNN in conjunction with the provisions of art. 113, let. m) of Law No. 31/1990 set out that the Extraordinary General Meeting of Shareholders has the competence to approve the proposals to amend the Articles of Incorporation.

### **II. Presentation**

The Articles of Incorporation is a complex legal act, which is the result of the corporate will and is undertaken by the Shareholders, being, from this perspective, the expression of a, accumulation of individual wills. The amendment of the Articles of Incorporation is the result of the voting mechanism within the Company's Extraordinary General Meeting of Shareholders, the effect of the social will, which is formed, by vote, within the general meeting.

The operation of a company is subject to continuous adaptation of the corporate structure to the fluctuating conditions of the economic environment in which the company is performing its business, and to the legal conditions regulating its activity. The Company's reaction to the demands of adaptation is materialized by changing certain elements of the Articles of Incorporation, which no longer correspond either to the purpose of the Company or to the degree of development of its business, or just to the will of the Shareholders. In this context, the changes that may be brought to the Articles of Incorporation are either expressly regulated by the law, or may be derived from its provisions, aiming

**Societatea Nationala NUCLEARELECTRICA S.A.**

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Trade Registry number: J40/7403/1998, Sole registration code: 10874881,

Paid and subscribed capital: 3.016.438.940 lei.

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essential elements of the Articles of Incorporation, provided by art. 8 of Law No. 31/1990.

In the case of joint-stock companies, Shareholders should observe the principle of separation of powers within the Company, established by law, so that the duties of the three categories of corporate bodies will not coincide, with the Articles of Incorporation having to include distinct provisions so as to comply with the rules of their separation.

The changes/additions proposed to the Articles of Incorporation mainly concern the following:

1. Amendment of the Articles of Incorporation following the increase of the share capital, i.e. amendment of art. 7 and 8 of the Articles of Incorporation
2. Addition of certain approval powers within the Ordinary and Extraordinary General Meetings of Shareholders;

### **1. Amendment of the Articles of Incorporation following the increase of the share capital**

Considering the following:

- The Resolution of the Extraordinary General Meeting of Shareholders of the Company No. 2 dated 04.01.2019, published in the Official Gazette of Romania No. 712 of 18.02.2019 ("*E.G.M.S. Resolution No. 2/04.01.2019*"), approving the delegation of the competence regarding the increase of the Company's share capital by the Board of Directors up to the maximum value of the authorized share capital of RON 3,015,427,980, based on the provisions of art. 114, par. (1) and art. 220<sup>1</sup> of Law No. 31/1990 on trading companies, as well as in virtue of the provisions of art. 87 of Law No. 24/2017 on the issuers of financial instruments and market operations, as further amended and supplemented;
- The Resolution of the Extraordinary General Meeting of Shareholders of the Company No. 12 dated 19.12.2019, published in the Official Gazette of Romania No. 337 of 28.01.2020 ("*E.G.M.S. Resolution No. 12/19.12.2019*"), approving the increase of the value limit of competence delegated by the Company's Shareholders to the Board of Directors, by the Resolution of the Extraordinary General Meeting of Shareholders No. 2/04.01.2019, for increasing the Company's share capital with the equivalent value of the land of 34,170 sq.m., located in Cernavoda, 23 Energiei Street, from the initial value approved by EGMS Resolution No. 2/04.01.2019 of RON 3,015,427,983, to the maximum value of RON 3,016,518,660 lei;
- Resolution of the Board of Directors of the Company No. 28 dated 24.02.2020, published in the Official Gazette of Romania, Part VI No. 1255 of 02.04.2020 ("*B.D. Resolution No. 28/24.02.2020*"), approving the increase of the share capital of the Company with contribution in kind and cash in a maximum amount of RON 3,016,518,660, from the current value of RON 3,015,138,510 to the value of RON 3,016,518,660, by issuing a maximum number of 138,015 new nominal, dematerialized shares, at a price of 10 RON/share, equal to the nominal value (without issue premium);
- Proportionate Prospectus of offer related to the increases of the share capital, approved by ASF Decision No. 976/08.13.2020,
- SNN Shareholders were able to exercise their right of preference within the subscription period, established by the Prospectus of Offer, i.e. 17.08.2020 - 16.09.2020. The Shareholders registered in the Register of Shareholders as of the date of registration 13.03.2020 had the right to subscribe and pay for shares from the current issue, on a pro rata basis in relation to their participation share in the Company's share capital, that they hold as of the date of registration. The subscription ratio was

0.000457740 and was determined by the ratio between the maximum number of new shares issued for exercising the right of preference and the number of shares held by the Shareholders that can exercise their right of preference. Thus, every existing Shareholder registered as of the date of registration, i.e. 13.03.2020, was able to subscribe to each share held 0.000457740 newly issued shares.

- During the subscription period following the application of the subscription ratio, as a result of the report of the Central Depository, attached to this note, 16,186 allocation rights-SNNR03 were registered on 17.09.2020, in the account of the holders in Section 2 of the Central Depository, who exercised their right of preference. We mention that, pursuant to the report of the intermediary, Swiss Capital, attached to this note, there were no subscriptions in Section 1. Therefore, from both Sections 1 and 2, based on the reports attached, a number of 113,857 new shares were allocated, in the amount of RON 1,138,570, representing the contribution in kind of the Romanian State, represented by the Ministry of Economy, Energy and Business Environment, and within the exercise of the right of preference, during the subscription period 17.08.2020 - 16.09.2020, by the other Shareholders of SNN, i.e. the persons who held the capacity of Shareholder as of the date of registration (13.03.2020), a number of 16,186 new shares, amounting to RON 161,860, according to the situation of the subscriptions made, submitted by the intermediary, SSIF Swiss Capital.
- The Resolution of the Board of Directors No. 194 of 22.09.2020 endorsing the amendment of the Articles of Association as a result of the increase of the share capital in order to be submitted for approval in the next GMS to be convened

In view of the foregoing, as well as the following:

- Art. 15 of Law No. 24/2017, as further amended and supplemented, regarding the responsibility of the Board of Directors for failure to comply with the legal provisions regarding the reality, occurrence and accuracy of the information included in the prospectus and any supplement thereto, in compliance with art. 11, par. (1) first sentence of (EU) Regulation No. [2017/1.129](#), i.e. the information included in the offer document and any supplement thereto, as well as in the related announcement;
- Art. 8 of Law No. 24/2017, as further amended and supplemented, whereby the public offer may not be made without the Prospectus receiving the approval of the ASF;
- The provisions of art. 8, par. 1, par. 2 let. a) and par. 3 of the Articles of Incorporation of SNN, as further amended and supplemented until 30.01.2020;
- The provisions of art. 13 par. 3 letter e) of the Articles of Incorporation of SNN, as further amended and supplemented until 30.01.2020;

Considering the foregoing, the Articles of Incorporation must be updated, i.e. art. 7 of SNN in compliance with the Annex to this Note.

## **2. Addition of certain approval powers within the Ordinary and Extraordinary General Meetings of Shareholders;**

On July 29, 2020, Law No. 158/2020 was published in the Official Gazette of Romania No. 673, bringing a series of supplements and amendments to Law No. 24/2017 on issuers of financial instruments and market operations.

Thus, by amending and supplementing Law No. 24/2017, new requirements are set out with regard to:

- the issuer's obligation to establish a remuneration policy regarding the managers, in relation to which Shareholders have the right to vote within the OGMS, and which includes certain information laid down by the law (the issuers pay a remuneration to their managers only in compliance with a remuneration that has been approved within the OGMS, except for certain

- situations expressly set out);
- the issuer's obligation to draw up a remuneration report, providing an overview of all remuneration, including benefits, regardless of form, granted or due over the last financial year (the remuneration report contains certain information laid down by the law, regarding the remuneration of each manager).
  - consolidation operations as well as additional provisions governing the operation of consolidating the nominal value of a share;

As a result of these requirements, the Articles of Incorporation of SN Nuclearelectica SA must be adapted, in order to correlate these with the new applicable legislative framework by adding certain approval powers within the Ordinary and Extraordinary General Meetings of Shareholders;

### **III. Proposals**

In view of the foregoing, we submit to the approval of the Board of Directors the amendment of the Articles of Association of SNN according to the Annex to this Note, in order to be submitted for approval within the next Extraordinary General Meeting of Shareholders to be convened.

**Chief Executive Officer,  
Cosmin Ghita**

**Deputy Chief Executive Officer,  
Dan Laurentiu Tudor**

**Legal Division Manager  
Laura Constantin**

**Manager of the Department of Communication and Investor Relation  
Valentina Dinu**

## ANNEX

### AMENDMENTS AND ADDITIONS TO THE ARTICLES OF INCORPORATION OF SNN

1. The name of the **ARTICLES OF INCORPORATION** of S.N. Nuclearelectrica S.A is hereby amended, as follows: "ARTICLES OF INCORPORATION of National Company "Nuclearelectrica" S.A. with the amendments and additions registered until ....."

2. Art. 7 of the Articles of Incorporation of SNN is hereby amended, following the increase of the share capital, and shall have the following content:

#### **"Art. 7 Share Capital**

**Art. 7** (1) The share capital of the trading company is RON **3,016,438.940**, fully subscribed and paid by the Company's shareholders. The share capital is divided into **301,643,894 shares**, issued in dematerialized form, having a nominal value of RON 10.00 each.

(2) The Company's share capital is owned by the following Shareholders, as follows:

a) The Romanian State, through the Ministry of Economy, Energy and Business Environment (the competent Ministry) owns a total of **248,850,476** shares, with a total value of RON **2,488.504,760**, accounting for a share of **82.4981** % of the Company's share capital;

b) S.C. Fondul Proprietatea S. A. owns a total of **21,112,037** shares, with a total value of RON **211,120,370**, accounting for a share of **6.9990** % of the Company's share capital;

c) Other Shareholders, Romanian and foreign natural persons and legal entities own a total of **31,681,381** shares, with a total value of RON **316,813,810**, accounting for a share of **10.5029** % of the Company's share capital.

(3) The identification details of each Shareholder, the contribution of each of them to the share capital, the number of shares each is entitled to, and the participation in the total share capital are included in the Register of Shareholders, kept in the computer system of the Central Depository.

(4) The rights and obligations related to the share capital of Nuclearelectrica for the proportion of the share capital held by the Romanian State, are exercised in the name and on behalf of the Romanian State, by the competent ministry, to the authority of which the Company is subject.

3. Art.8 "**Share Capital or Increase**" is hereby amended by elimination par. (7) and will have the following content:

**Art. 8** (1) The share capital may be reduced or increased based on the resolution of the Extraordinary General Meeting of Shareholders, under the conditions, and in compliance with the procedures laid down by the law.

(2) The share capital may be increased by:

a) new contributions in cash and/or in-kind, under the conditions of the law;

b) incorporation of reserves, except for legal reserves and favorable differences resulting from the revaluation of the corporate assets and legal reserves, as well as of the benefits or share issue premiums;

c) compensation of some liquid and chargeable debts from Nuclearelectrica with its shares;

d) other sources determined by the General Meeting of Shareholders, pursuant to the law.

(3) The shares issued for the share capital increase shall be offered for subscription first of all to the existing shareholders, on a pro rata basis, in relation to the number of shares they own, granting them, in this regard, a right of preference to subscribe for newly issued shares. The right of preference shall

be exercised in compliance with the provisions of the applicable legislation.

(4) The share capital may be reduced by:

- a) reducing the number of shares;
- b) reducing the nominal value of the shares;
- c) acquiring own shares, followed by their annulment;
- d) any other procedures governed by the law.

(5) If the Board of Directors finds that, following some losses established by the approved annual financial statements, the Company's net assets, determined as the difference between the Company's total assets and its total liabilities, has decreased to less than half of the subscribed share capital, it shall immediately convene the Extraordinary General Meeting of Shareholders to decide whether the Company should be dissolved. If the dissolution is not decided, the Company shall be required, by the end of the financial year subsequent to that one in which the losses were found, to proceed with the reduction of the share capital by an amount at least equal to that of the losses which could not be covered by reserves, if during this timeframe the Company's net assets were not reinstated to a value at least equal to half of the share capital.

(6) The share capital reduction may only be implemented two months after the date of publication in the Official Gazette of Romania, Part IV, of the Resolution of the Extraordinary General Meeting of Shareholders, pursuant to the legal provisions.

4. **Art. 13 (2)** "*The main duties of the Ordinary General Meeting of Shareholders are*" is hereby amended as follows:

- par. (2) is amended by adding let. m) and n), and shall have the following content:

**Art. 13 (1)** General Meetings of Shareholders may be Ordinary or Extraordinary.

**(2)** The main duties of the Ordinary General Meeting of Shareholders are:

- a) discusses, approves and changes the annual financial statements based on the reports presented by the Board of Directors and the financial auditor;
- b) establishes the distribution of the net profit and sets the value of the dividend;
- c) elects and revokes the members of the Board of Directors;
- d) appoints and dismisses the financial auditor and establishes the minimum term of the financial audit contract;
- e) establishes the general limits for the remuneration of the Chief Executive Officer and the Managers;
- f) establishes the level of remuneration for the members of the Board of Directors, as well as the terms and conditions of the mandate contract concluded with the members of the Board of Directors;
- g) decides on the administration of the members of the Board of Directors;
- h) approves the strategy and the development policies of the Company;
- i) establishes the annual revenues and expenditures budget for the next financial year;
- j) decides on pledging, renting or discontinuing one or several units of the Company;
- k) approves the reports of the Board of Directors regarding the activity performed;
- l) also analyzes and solves other issues submitted by the Board of Directors.
- m) approves the remuneration policy regarding the managers, as well as on the occasion of each significant change and, in any case, at least once every 4 years;**
- n) submits for voting within the annual Ordinary General Meeting of Shareholders, the remuneration report related to the most recent financial year, with Shareholders' opinion resulting from the vote, having an advisory nature.**

4. **Art. 13 (4)** is hereby amended by adding let. d), e), f), g) and h), and shall have the following content:

**Art .13 (4)** In addition to the powers and duties mentioned under par. 3 above or established by law, the Extraordinary General Meeting of Shareholders decides on the following matters:

- a) conclusion by the Company of any contract, undertaking of any obligation or commitment that might involve expenses or the undertaking any other important obligation by the Company, as per the competence limits set out in Annex No. 1 to these Articles of Incorporation.
- b) engagement by the Company in any type of loans, debts or obligations as per the competence limits set out in Annex No. 1 to these Articles of Incorporation;
- c) incorporation or participation in the incorporation of companies governed by Companies Law No. 31/1990 or of associations or foundations governed by GO No. 26/2000 on associations and foundations;
- d) delegating to the Board of Directors the duty of withdrawing the right of preference, in compliance with the conditions on quorum and majority;**
- e) approving the operation of consolidating the nominal value of a share;**
- f) approving the proposal of the Board of Directors related to the value of a consolidated share to be used for the calculation of the amount of compensation;**
- g) providing information on the amounts to be paid to Shareholders, approving the payment terms and conditions, as well as approving the calculation instructions to be made available to Shareholders;**
- h) granting mandate to the Board of Directors to carry out the amendment of the Articles of Incorporation, as an effect of consolidating the nominal value of the shares and to carry out all the operations necessary for the registration and amendment of the Articles of Incorporation in the Trade Register.**

**CHAIRMAN OF THE BOARD OF DIRECTORS**

**TEODOR MINODOR CHIRICA**