



NUCLEARELECTRICA

Registration number 2188/23.02.2021

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;
- Articles of Incorporation of SNN, as further amended and supplemented until 27.01.2021.

### **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

**National Company NUCLEARELECTRICA S.A.**

65 Polona Street, District 1, 010494, Bucharest, Romania; Tel. +4021 203 82 00, Fax +4021 316 94 00;

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

Subscribed and paid-up share capital: RON 3,016,438,940.

[office@nuclearelectrica.ro](mailto:office@nuclearelectrica.ro), [www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)

provisions, aiming 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:

- The change of the Articles of Incorporation as a result of the modification of the shareholding structure, respectively of the reduction below 5% of the holding threshold of the shareholder Fondul Proprietatea S.A. and the need to update this information within the text of the SNN Articles of Incorporation;
- The change of the attributions of the Extraordinary General Meeting of SNN Shareholders, regarding the approval of the mandate of SNN representatives in the General Meeting of Shareholders of EnergoNuclear S.A. in order to implement the Strategy for the continuation of the Project Units 3 and 4 Cernavoda NPP, in the sense of easing and streamlining the corporate decisions related to the re-operationalization of EN;
- Removal from the art. 20 par. (3) of letter s) of the Articles of Incorporation of SNN refers to *the approval of the mandate of Nuclearelectrica representatives in the General Meeting of Shareholders of the project company established under the Investor Agreement in preliminary form on Units 3 and 4 of Cernavoda NPP, concluded between China General Nuclear Power Corporation and CGN Central and Eastern Europe Investment (RO) CO SA and Societatea Nationala Nuclearelectrica S.A.*”, an agreement that was terminated, by a notification sent to CGN, based on the mandate granted to the Board of Directors of SNN by EGMS Decision no. 8 / 12.06.2020 to initiate the procedures / approaches / actions regarding the termination of the negotiations with CGN, as well as the termination of the legal effects (by agreement of the parties, denunciation, etc.) of the following documents: "Memorandum of Understanding on the development, construction, operation and decommissioning of Units 3 and 4 of CNE Cernavoda (MoU) and (ii) Investor Agreement in preliminary form".

### **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**

**Manager of the Legal Division  
Laura Constantin**

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

## ANNEX

### AMENDMENT 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, par. (2) of the Articles of Incorporation of SNN is hereby amended, following the change 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 Energy (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) *Other Shareholders, Romanian and foreign natural persons and legal entities own a total of **52,793,418** shares, with a total value of RON **527,934,180**, accounting for a share of **17.5019** % 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. 13 par. (3) of the Articles of Incorporation shall be amended as follows:

(a) Article 13 par. (3) let. o) par. 2 is removed;

(b) Article 13 par. (3) is completed with a new letter, the letter "p".

Art. 13 par. (3) and shall have the following content:

„(3) **The Extraordinary General Meeting of Shareholders** has the right to decide on:

- a) changing the legal form of the Company;
- b) transferring the headquarters of the Company;
- c) amending the scope of business of the Company;
- d) establishing or dissolving secondary offices: subsidiaries, agencies, representative offices, and other such units without legal personality;
- e) increasing, reducing or reinstating the share capital through the issue of new shares;
- f) merging with other companies or dividing the Company;
- g) anticipated dissolution of the Company;
- h) issuance of bonds;
- i) conversion of shares from one category to another;
- j) conversion of a category of bonds into another category or into shares;
- k) withdrawing the Shareholders' preferential right to the subscription of new shares issued by the Company;

- l) authorizing the acquisition, by the Company, of its own shares, and establishing the conditions for such acquisition, in particular the maximum number of shares to be acquired, and, in case they are acquired for consideration, their minimum and maximum equivalent value and the period when the transaction is done, in compliance with the law; it also establishes the method of alienation of own shares acquired by the Company;
- m) acquiring, selling, exchanging or pledging as collateral certain assets under the category of non-current assets belonging to the Company, whose value exceeds, separately or cumulated, throughout a financial year, 20% of the total non-current asset of the Company, less receivables;
- n) renting tangible assets, for a period greater than a year, whose separate or cumulated value in relation to the same co-contractor or persons involved, or acting together exceeds 20% of the total value of non-current assets, less receivables, as of the date of conclusion of the legal act, as well as the associations for a period over one year, exceeding the same value;
- o) *approving any other amendments to the Articles of Incorporation and any other resolution for which the approval of the Extraordinary General Meeting of Shareholders is required.*
- p) *approving the mandate of Nuclearelectrica's representatives in the General Meeting of Shareholders of S.C. Energonuclear S.A. for:*
  - i. *dissolution and liquidation of Energonuclear S.A.;*
  - ii. *making any investment by S.C Energonuclear S.A exceeding 50,000,000 euro (fifty million euro) for a single transaction and/or exceeding 50,000,000 euros (fifty million euros) cumulated with other transactions in any financial year;*
  - iii. *conclusion by S.C Energonuclear S.A of any contract involving costs or taking any important obligations by S.C Energonuclear S.A exceeding 50,000,000 euros (fifty million euros), individually or cumulated, in a single financial year;*
  - iv. *any effective or proposed sale, any other alienation or any assets or rights of S.C Energonuclear S.A, any effective or proposed acquisition of assets or rights by S.C Energonuclear S.A exceeding the cumulated amount of 50.000.000 euro (fifty million euro);*
  - v. *Contracting, by S.C. Energonuclear S.A. of any types of loans or debts or obligations assimilated to loans, with a values exceeding EUR 50,000,000 (fifty million Euro)."*

4. Art. 20 par. (3) by removing the letter s) and will have the following content:

„Art. 20 par. (3) **The Board of Directors also has the following duties:**

- a) exercises the control on the way the Chief Executive Officer and other Managers govern the Company;
- b) approves the revenues and expenditures budget;
- c) approves the management plan prepared by the Chief Executive Officer and/or other Managers;
- d) submits to the General Meeting of Shareholders an annual report on the management activity;
- e) represents the Company in relationship with the Chief Executive Officers and the appointed Managers;
- f) endorses the financial statements of the Company;
- g) approves the Report of the Chief Executive Officer and the Reports of the Managers;
- h) proposes to the General Meeting of Shareholders the appointment and revocation of the financial auditor, as well as the minimum term of the audit contract.
- i) approves the mandate contracts of the Chief Executive Officer and of the appointed Managers, thus establishing the organization of the activity of the managers;
- j) approves the persons empowered to negotiate the Collective Employment Agreement with the representative trade unions and/or with the representatives of the employees, as well as the negotiation mandate granted thereto;

- k) approves the Company's collective work agreement;
- l) approves the Organization and Operation Regulations of the Board of Directors;
- m) approves the activity schedules (production, research – development, technological engineering, investments, etc);
- n) approves the organizational structure of the Company and the number of positions, as well as the Company's Organization and Operation Regulations;
- o) approves the energy transactions strategy of the Company;
- p) approves the conclusion of any contract/document which raises legal obligations for the Company (acts of acquisition, sale, exchange or pledge as guarantee for non-current assets belonging to the Company), the value of which does not exceed, individually and cumulated, during a financial year, 20% of the total non-current assets of the Company less receivables, in compliance with the competence limits set out in the Annex to these Articles of Incorporation;
- q) approves the renting of tangible assets, for a period greater than 1 year, with an individual and cumulated value in relation to the same co-contractor or the persons involved or acting together, not exceeding 20 % of the total value of non-current assets, less receivables, as of the date of conclusion of the legal act, as well as associations for periods greater than one year, which do not exceed the same value;
- r) approves the mandate of Nuclearelectrica's representatives in the General Meeting of Shareholders of S.C. Energonuclear S.A. for the decisions which fall under the competence of S.C. Energonuclear S.A. with the exception of those for which a resolution of the Company's General Meeting of Shareholders is necessary, in compliance with the provisions of these Articles of Incorporation."

## **CHAIRMAN OF THE BOARD OF DIRECTORS**

**TEODOR MINODOR CHIRICA**