



Approved,

Chairman

Teodor Chirica

Board of Directors

NOTE

regarding

the approval of the General Meeting of Shareholders of SNN for the purchase by Societatea Nationala “Nuclearelectrica” from the Ministry of Energy of the quantities of uranium technical concentrate from the safety and consumption inventory, established during the period 2009-2011, privately owned by the State and managed by Compania Nationala a Uraniului SA

I. Recitals

On 29.06.2021, the Government of Romania issued Emergency Ordinance no. 73 (GEO no. 73/2021) on some measures for the capitalization of uranium technical concentrates (CTU/U3O8) from the safety and consumption inventory (SSC), set up in period 2009-2011, under the private ownership of the state, managed by Compania Nationala a Uraniului - S.A. (CNU), as well as for amending and supplementing Law No. 193/2018 for the regulation of the principles on the assurance of the national strategy of Romania in terms of the maintenance of the integrated nuclear cycle, by providing the raw material for the manufacture of the nuclear fuel necessary for the operation of the units at Cernavodă Nuclear Power Plant (NPP), published in Official Gazette No. 646/ 30.06.2021..

By memorandum no. 8075 of 07.07.2021, in virtue of the provisions of art.III, par. (3) of GEO no. 73/2021, SNN asked CNU for information regarding the inventory of uranium technical concentrates from the safety and consumption inventory which comprises identification and storage data, its validity term and the secrecy level, and also any relevant information (technical, economic and legal) for the goods to be sold. On 15.07.2021, by the memorandum registered with SNN under no. 8395 (CNU registration no. 3827/09.07.2021), CNU replied to the SNN request, and sent the requested information (part of the requested information was secret and were registered with SNN under no. 02/15.07.2021, and with CNU under no. 014/09.07.2021), and on 21.07.2021, by the memorandum registered with SNN under no. 8581 (and with CNU under no. 3987/16.07.2021) CNU supplemented the previously sent information (also, part of the information sent by this memorandum was secret and registered under no. SNN 03/21.07.2021 and with CNU under no. 0.12.16.07.2021)

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

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By memorandum no. 8534/19.07.2021 SNN asked the Ministry of Energy to supplement the agenda of the GMS of SNN of 11.08.2021, according to the agreed schedule for implementing the provisions of GEO no. 73/2021.

According to the provisions of art. III, par. (1) of GEO no. 73/2021, a government resolution is to be issued, in virtue of the resolution of the general meeting of shareholders, which will approve the sale by the Romanian State, via the Ministry of Energy, of the uranium technical concentrates from the safety and consumption inventory, established in 2009-2011, privately owned by the State and managed by Compania Nationala a Uraniului- S.A., Societatea Națională "Nuclearelectrica" - S.A.

The sale-purchase contract will contain the elements provided by the provisions of GEO no. 73/2021, **without limitation, namely:**

- the moment of the sale;
- the quantity of concentrates that is subject to the contract;
- the price payment conditions and the technical data for individualizing the sale scope;
- the delivery-takeover conditions between Compania Națională a Uraniului - S.A. and Societatea Națională "Nuclearelectrica"- S.A.;
- the fact that the transfer of the ownership right takes place on the price payment date.

Regarding the price, according to art. III, par. (6) and (7) of GEO no. 73/2021: “

The sale of uranium technical concentrates will be performed at the market value of purified uranium octoxide, after signing the sale-purchase contract, by complying with the provisions of this law and according to the provisions of the EURATOM Treaty.

(7) The market value of the concentrates is set at the reference prices on the spot market published in the annual or periodical reports of the supply agency EURATOM, available on the date on which the sale-purchase contract is concluded.”

II. Aspects submitted for approval

Considering the aforementioned information, as well as:

- Ministry of Energy memorandum no. 13754/VDP/22.07.2021 registered with SNN under no. 8706/23.07.2021 on supplementing the agenda of the EGMS of 11.08.2021, in virtue of art. 117¹, par. (1) of Law 31/1990, as further amended and supplemented, of art. 92 par. (3) of Law no. 24/2017, as further amended and supplemented, of art. 189 of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations and those of art. 14 of the Articles of Incorporation of the Company, according to which a shareholder that has more than 5% of the share capital of the Company may request the introduction of additional topics on the GMS agenda;
- the provisions of art. III, par. (1) of GEO no. 73/2021, according to which the resolution of the GMS of SNN is necessary in order to issue a Government Resolution which “*will approve the sale by the Romanian State, via the Ministry of Energy, of the uranium technical concentrates from the safety and consumption inventory, established in 2009-2011, privately owned by the State and managed by Compania Nationala a Uraniului- S.A., Societatea Națională "Nuclearelectrica"*
- the obligation of the Ministry of Energy and SNN to implement the provisions of GEO no. 73/2021,

We submit to the approval of the Extraordinary General Meeting of Shareholders of SNN following the supplementation of the agenda by the Ministry of Energy, the following topics:

- **Approval of the sale** by the Romanian State, through the Ministry of Energy, of the uranium technical concentrates in the safety and consumption stock, established during the period 2009-2011, and privately owned by the State and managed by Compania Națională a Uraniului, to National Company “Nuclearelectrica” S.A.;
- **Mandating** the Board of Directors of SNN to approve the form of the purchase-sales contract and the conclusion of the purchase-sale contract of uranium technical concentrates from the safety and consumption stock, as well as to fulfill any act or formality necessary for the implementation of the GMS resolution and the provisions of OUG No. 73/2021. The Board of Directors has the right to delegate the right to sign the sale-purchase contract to the Chief Executive Officer of SNN.

Chief Executive Officer
Cosmin Ghiță

Deputy Chief Executive Officer
Dan Laurentiu Tudor

Chief Financial Officer
Paul Ichim

Chief Operating Officer
Romeo Urjan

Legal Division Manager
Laura Constantin