



Approved,

Alexandru Sandulescu

President of the Board of Directors

MEMO

on amending the Articles of Association of Societatea Nationala Nuclearelectrica S.A.

1. Introduction

By the Resolution of the Extraordinary General Shareholders' Meeting (EGSM) no. 16/27.06.2013 were approved:

- (1) the SNN share capital increase, by raising private capital in cash, through newly issued shares representing 11.077 % of the existing share capital, by issuing a number of 28,100,395 new shares each with a nominal value of RON 10, and by granting the pre-emption right to the S.C. Fondul Proprietatea S.A.(FP) Shareholder, pro rata with its stake held at the date of the EGSM in accordance with the steps and conditions associated with exercising the pre-emption rights;
- (2) annulment of the unsubscribed shares as a result of non-exercising of the pre-emption rights by the FP, in accordance with the provisions of art. 1 paragraph 2 letter b) from the Government Decision no. 39/2013 for the approval of the privatization strategy of Societatea Nationala Nuclearelectrica S.A.;
- (3) issuing, in the framework of share capital increase and with a view to commencement of trading on the spot regulated market of SC Bursa de Valori Bucuresti S.A. (Bucharest Stock Exchange) of the allotment rights associated with the shares allocated within the Initial Public Offering (IPO);
- (4) the price interval of the newly-issued shares within the IPO observing the provisions of GD HG 39/2012 as subsequently amended and supplemented;
- (5) empowerment of the SNN Board of Directors to fulfill the adopted resolutions including:
 - (i) to take any actions for acknowledging the completion of the share capital increase process (including, without limitation, to determine the number of subscribed shares in the IPO, the value by which the share capital is increased, the annulment of the un-subscribed shares) and to sign all documents required for the fulfillment of the resolutions' effects (including without limitation the Up-dated Articles of Association) and to its corresponding registration;
 - (ii) to prepare, approve and sign any document required for admission to trading on the spot regulated market of SC Bursa de Valori Bucuresti S.A. (Bucharest Stock Exchange) of the shares subscribed and allocated within the IPO and the allocation rights attached to such shares.

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(iii) to take any measures and decisions including signing any documents with a view to implement the above mentioned decisions mentioned.

2. The Results of SNN IPO

Following the IPO, all the 25.368.236 newly-issued shares within the share capital increase were sold.

The Price Offer, determined by applying the algorithm described in the Prospectus, is:

- For the Institutional Investors Tranche (85%): RON 11.2;
- For the Large Subscriptions Tranche (5%): RON 11.2 lei;
- For the Retail Subscriptions Tranche (10%): RON 10.304 for investors which subscribed during the first 3 working days of the Offer, respectively RON 10.864 for the investors which subscribed starting with the 4th working day of the Offer.

The IPO results are synthetically presented in the table below.

	No. of shares per tranche	Price (RON/share)	Value (RON)
Institutional Investors Tranche	21,563,000	11.20	241,505,600.00
Large Subscriptions Tranche	1,268,412	11.20	14,206,214.40
Retail Subscriptions Tranche – during the first 3 working days of the Offer	2,489,201	10.304	25,648,727.10
Retail Subscriptions Tranche – starting with the 4th working day of the Offer	47,623	10.864	517,376.27
Total	25,368,236		281,877,917.78

On 02.10.2013, the Intermediary Syndicate transferred into the escrow account open by SNN the amount of RON **281,877,917.78**, to which is added the amounts accumulated as interest in the collecting accounts (RON 59,344.5 lei).

The Financial Supervisory Authority (Autoritatea de Supraveghere Financiara - ASF) issued the Securities Registration Certificate no. DA – 3934 – 1/01.10.2013 corresponding to the registration of a number of 28,100,395 allocation rights attached to the SNN newly issued shares. On 04.10.2013, the allocation rights were admitted to transaction.

Therefore, the provisions of Resolution of the EGSM no. 16/27.06.2013, item 1, letters a) and c), item 3 and respectively item 4, were fulfilled.

3. Exercise of pre-emption right by FP

- On 20.09.2013, FP communicated to SNN its firm intention to subscribe a number of 2,732,159 new issued shares, representing 1.077% of the share capital increase of S.N. Nuclearelectrica S.A., at the price of the shares obtained within the institutional investors tranche resulted from the IPO, respectively RON 11.2 /share.
- On 25.09.2013, FP paid the amount of 30,600,180.80 lei to SNN account representing the total value of the shares above mentioned.

Therefore, the provisions of Resolution of the EGSM no. 16/27.06.2013, item 1, letter b) and respectively item 2, were fulfilled.

4. Up-dated SNN Articles of Association

Considering that the EGSM, by Resolution no. 16/27.06.2013, empowered the Board of Directors to take all measures with a view to complete the share capital increase process, including the up-dated Articles of Association, we present herebelow the proposal to amend the SNN Articles of Association.

Following the completion of the above mentioned process, the SNN Articles of Association shall be modified as follows:

Art. 7 of the Articles of Association shall fully modified and shall have the following content:

„**Art. 7**

Share capital

The share capital of the trade company is RON 2,817,827,560 integrally subscribed and paid by the company's shareholders.

The share capital is divided into 281,782,756 nominative shares, issued in a dematerialised form, having a nominal value of RON 10,00 each.

The share capital is held by the following shareholders, as follows:

- 1) The romanian State, through the Ministry of Economy (resort ministry or its successors, according to the law), holds a total number of 229,006,139 shares, with a total nominal value of RON 2,290,061,390, which corresponds to a quota share of 81.2705 % from the share capital of the company.*
- 2) S.C. Fondul Proprietatea S.A. holds a total number of 27,408,381 shares, with a total nominal value of RON 274,083,810, which corresponds to a quota share of 9.7268 % from the share capital of the company;*
- 3) Other shareholders, natural and legal persons, Romanian and foreign, hold a total number of 25,368,236 shares with a total nominal value of RON 253,682,360, representing a quotate share of 9.0027 % from the share capital of the company.*

The rights and obligations associated to the share capital of Societatea Nationala "Nuclearelectrica" S.A., for the quota share held by the Romanian State are exercised, in the name and on behalf of the Romanian State, by the resort ministry, under the authority of which the company is placed, based on the express legal provisions, through representatives of this institution, especially appointed within the General Shareholders' Assemblies."

The difference of RON 31,474,148.58, between the amount effectively paid by the new shareholders within the Initial Public Offering and respectively by the FP within the exercise of its pre-emption right, and the amount of the increase of the share capital with the number of the new issued shares subscribed at nominal value of RON 10,00/share, represents share premium and will be registered accordingly in the company's equity.

By Decision no. 39 of the SNN Board of Directors 08.10.2013, based on the empowerment granted by the Resolution of the Extraordinary General Shareholders' Meeting no. 16/27.06.2013, the SNN Board of Directors approved (i) the share capital increase, by raising private capital in cash, through newly issued shares representing 11.077 % of the existing share capital, by issuing a number of 28,100,395 new shares each with a nominal value of RON 10, (ii) the amendment of the Articles of Association and (iii) the up-dated version of the SNN Articles of Association.

5. Proposals submitted for approval by the General Shareholders Assembly

Considering the above as well as:

- (i) The provisions of art. 13 letter n) of the SNN Articles of Association which provides for the amendment of the Articles of Association as an attribution of EGSM;
- (ii) The provisions of art. 113 of Law no. 31/1990 which provide that EGSM approves any amendment of the Articles of Association,

We submit for approval by the EGSM the amendment of SNN Articles of Association as a result of modifications regarding the share capital mentioned at item 4 of the present Memo.

Daniela Lulache

Chief Executive Officer