

**Instructions on the process of qualification of investors for the project**  
**„Units 3 & 4 of Cernavoda NPP”**

**1 Introduction**

|  |
|--|
| <b>Note:</b> Terms written in upper case are defined in the Procedure. |
|--|

The instructions regarding the process of qualification of investors for the Project were developed by SNN, with the support of the Consultants in accordance with the principles established by the Strategy for the continuation of the Project.

These instructions refer to the manner in which the Letters of Expression of Interest issued by Interested Investors and the qualification documents attached thereto are to be drafted.

The following aspects should be noted:

- All correspondence with Interested Investors will be carried out by SNN;
- SNN shall have no obligation to accept any Letter of Expression of Interest, irrespective of the financial, technical or other components;
- SNN reserves the discretionary right to reject, without the need for any justification, any or all of the Letters of Expression of Interest and also to negotiate any of the terms thereof, either individually or simultaneously;
- The members of the Project Team (as well as their representatives, directors, shareholders, affiliates, employees, contractors or consultants) will have no obligation or liability for costs or expenses incurred by Potential Investors in connection with the Process and the Project, as well as for any direct or indirect losses or damages suffered by any person as a result of the grounding of any decision on any information or omission in this document, or any other information or communication related to the Process and the Project;
- The information presented in this document does not form the basis of any contract and Potential Investors should not rely on it in connection with any contract or legal obligation;
- These instructions are not intended to form the basis of an investment decision and should not be considered a recommendation to invest made by the Project Team;
- This document does not lead in any way to the creation of any legal relationship between the members of the Project Team and any other party;
- The distribution of this document in certain jurisdictions may be restricted or prohibited by law. SNN may require from its recipients information in relation to compliance with all such restrictions or prohibitions. The Process Team

assumes no liability towards any person in connection with the distribution or possession of the document in or from any jurisdiction.

## **2 Qualification Documentation**

### **2.1 General aspects**

The Letters of Expression of Interest express the interest in participating in the qualification process in view of taking part in the Project. The Qualification Documentation filled-in and submitted by the Interested Investor has the purpose of showing its identity, experience, and financial and technical capacity (individual or in a consortium).

The filled-in Qualification Documentation submitted by the Interested Investors will fully comply with the instructions provided in this document. If the Qualification Documentation does not contain all requested documents or information or is not submitted within the established deadline, the Negotiation Commission will be entitled not to take that documentation into account.

The filled-in Qualification Documentation will be drafted (or, where applicable translated) in English and / or in Romanian and will be submitted in two envelopes, one containing original documents and the other containing copies of these originals. The envelopes will contain hard copy documents (paper), as well as CDs / DVDs of the electronic version of all documents (scanned in pdf format), according to the specifications in Appendix 2.

Envelopes will be submitted no later than 8 September 2014, at 16:00 (Bucharest time) at the following address: Societatea Națională Nuclearelectrica SA, 65 Polona Street, District 1, Bucharest, postal code 010494, Romania (in the attention of the Negotiation Commission).

In case of documents drafted in languages other than Romanian, the Qualified Investors shall submit the Romanian language legalised translations of the filled-in and submitted Qualification Documentation within 10 calendar days of the notification regarding their qualification.

The filled-in Qualification Documentation is composed of:

- Letter of Expression of Interest
- Identification documents of the Interested Investor (individual or in a consortium)
- Documents setting out the relevant experience of the Interested Investors (individual or in a consortium)
- Documents setting out the financial capability of Interested Investors (individual or in a consortium)

The Checklist of the filled-in Qualification Documentation can be found in Annex 2 to this document.

## **2.2** The Letter of Expression of Interest

The Letter of Expression of Interest will be filled-in according to the model set out in Annex 1. This will also include the adhesion of the Interested Investor to the Procedure.

## **2.3** Identification of the Interested Investor

The following statements will be provided (with supporting documents, if applicable):

### **2.3.1** General information for the identification of the Interested Investor

A statement will be provided containing the information below, to which the corresponding statements from the relevant Trade Register or Companies Register will be attached (which are meant to confirm the information in the statement):

- Identity of the Interested Investor
- If the Letter of Expression of Interest is submitted on behalf of a consortium:
  - identity of all members of the consortium;
  - the organizational structure of each participant to the consortium;
  - legal basis of the consortium;
  - identity of the leader of the consortium and its powers to represent the consortium in relationship with third parties.
- Contacts of the Interested Investor (names, positions, telephone and fax numbers, postal address, email); and
- Any other relevant information for the identification of the Interested Investor.

### **2.3.2** Powers of attorney

The Letter of Expression of Interest and all statements attached to it (according to these Instructions) will be signed by the legal representative of the Interested Investor (i.e. general manager) or, where appropriate, by the empowered representative of the consortium leader of the Interested Investor. Documents proving the ability of that person to sign the Letter of Expression of Interest and attached statements will be presented (e.g. extracts from the Trade Register, power of attorney, Articles of Incorporation).

### **2.3.3** Contract (agreement) of the consortium (if applicable)

If a Letter of Expression of Interest is submitted by a consortium, the original or a certified copy of the consortium contract (agreement) will be submitted.

#### **2.3.4 Statement regarding various aspects**

Interested Investors will submit a statement demonstrating the following:

- (i) Avoidance of conflict of interests – if Interested Investors, as future shareholders of the Project Company, have in a certain operation, either personally or as agent of another person, an interest contrary to that of the Project Company, they will abstain from deliberations concerning that operation, by observing the applicable legal provisions;
- (ii) Participation to the competitive process of qualification and selection of investors for the Project by using a single legal entity, with a single filled-in Qualification Documentation;
- (iii) Intention to use Romanian suppliers of products (heavy water, nuclear fuel, equipment, components etc.), works and services, including with respect to their share in the total estimated costs of the Project, only to the extent that these aspects are not to be considered as incompatible state aid;
- (iv) The maximum expected duration for the completion of the Project, considering that the necessary permits and licenses are obtained according to plan, from the effective date of the EPC Contract until the beginning of the commercial operation of the second unit of the Project. Currently, Romanian authorities expect that this duration will not exceed 75 months.

#### **2.4 Relevant experience of the Interested Investor**

For the qualification of an Interested Investor to the next phase of the Process, the Interested Investor will present a sworn statement regarding the following aspects:

##### **2.4.1 Profile of the Interested Investor**

The Interested Investor must be a company (or group of companies) that demonstrates (together or separately) a substantial experience in the use of nuclear technologies. Reference will be made to the ability of the Interested Investor (directly or through its affiliates) to operate, build and commission nuclear power plants.

The statement will refer to the ability of the Interested Investor to ensure the implementation of the Project using the CANDU 6 technology and to comply with the recommendation included in the opinion of the European Commission C (2010) 8267 of 26 November 2010, as well as with the conditions resulted from the post-Fukushima analysis (according to the

country report issued by the National Commission for the Control of Nuclear Activities - CNCAN) in 2012.

**2.4.2** The average annual quantity of electricity output and characteristics of the reactors

The Interested Investors will present a synthetic document revealing the following:

- (i) the average annual quantity of electricity produced and sold by the Interested Investor or its affiliates in the past 3 years - at least 20 TWh / year;
- (ii) the number of nuclear units, with a gross power of over 700 MW / unit, operated on 31 December 2013 by the Interested Investor or its affiliates - minimum 4 units;
- (iii) the average gross capacity factor, respectively the average net capacity factor achieved between 1 January 2009 and 31 December 2013 for the first four ranked (in descending order of average net capacity factor) nuclear units in operation, with over 700 MW gross power / unit (UCF - unit capability factor, as per IAEA definition, document "Nuclear Power Reactors in the World, RDS2-34, 2014") - at least 88% for both indicators;
- (iv) the number of units developed and/or manufactured and / or received by the Interested Investor or its affiliates, with a gross output of over 700 MW / unit, which were commissioned until 31 December 2013, for which there were no delays exceeding 12 months from the initially provided deadline, between 1 January 2004 - 31 December 2013 - at least two reactors;
- (v) the average duration of the construction of the highest ranked (i.e. with the shortest duration of construction) two nuclear units with a gross output of over 700 MW / unit, developed and/or manufactured and / or received by the Interested Investor or its affiliates, commissioned in the last 10 years and completed by 31 December 2013, from the date of the first casting of the "nuclear concrete" (v. RDS2-34, 2014, IAEA) until connecting the unit to the network - up to a maximum of 70 months / unit.

**2.5** The financial capability of Interested Investor

**2.5.1** The minimum investment credit rating (*investment grade rating*):

Interested Investors will demonstrate a credit risk rating at the BBB level or above - for the Standard and Poor's rating, Baa or above - according to Moody's, or BBB level or above - according to Fitch. The record will

consist of a copy of the latest available report attesting the respective rating. This report shall not be older than 2010.

If there is no access to credit rating or it does not reach the levels set forth above, Interested Investors may provide an alternative credit or financial creditworthiness instrument that will be analysed by the Negotiation Commission, which will determine whether it is acceptable or not and whether it is necessary to exclude the Interested Investor from the qualification process.

#### **2.5.2 The ability to ensure the financing of the Project**

The Negotiation Commission will analyse the ability of the Interested Investor to ensure the necessary financing in order to complete the project, both through equity contributions and borrowed financing sources (e.g. credits). In this respect, Interested Investors must submit a statement showing:

- The average annual turnover during the last 3 years - minimum EUR 2 billion;
- Total assets according to the latest audited balance sheet - minimum EUR 10 billion;
- The amount of equity commitment in a single nuclear project - at least EUR 1 billion.

The statement containing the information specified above will be filled-in according to Annex 3.

The above information regarding the average annual turnover and the total assets shall be presented in accordance with International Financial Reporting Standards (IFRS) or in accordance with US-GAAP (Generally Accepted Accounting Standards in the USA).

Alternatively, if there are no available financial statements prepared in accordance with IFRS or US-GAAP, the Interested Investor will present the above mentioned information extracted from the financial statements prepared in accordance with local standards of financial reporting. The financial statements shall be accompanied by independent auditors' reports and other documents considered relevant by Interested Investors in order to substantiate the information in the statement.

If the functional currency in which the financial statements are presented is different than EUR, the conversion of the turnover from the functional currency in the EUR equivalent will be made using the average exchange rate EUR - functional currency displayed by the central bank issuing the functional currency for the respective year and the total assets will be converted to the official exchange rate prevailing at 31 December of each

year (published by the central bank at 31 December). If such official exchange rates are not available, conversions to the EUR equivalent will be performed using the methods / currency that may be verified with globally recognized third-party sources that could lead to the presentation of financial indicators in EUR equivalent. The same principles shall also be observed if the financial statements of the Interested Investor are prepared in a presentation currency other than the functional currency and which differs from EUR.

If the financial year differs from the European calendar year (1 January – 31 December), financial information will be presented to include the three (3) most recent completed financial years, and any conversions in EUR will be made using the same principles as for a financial year identical to the calendar year.

If the Interested Investor prepares financial statements in both the functional currency (other than EUR) and in EUR (presentation currency), then the financial statements prepared using the presentation currency EUR can be presented.

The average of the values for the average annual turnover is the simple arithmetic average.

In the case of a consortium, the above requirements are considered fulfilled by taking into consideration the resources of all the members of the consortium.

## Annex 1

### TEMPLATE LETTER FOR EXPRESSION OF INTEREST

Company:  
Address:  
Email:  
Telephone number:  
Fax number:  
Contact person:  
The capacity / position of the contact person:

Attn: S.N. Nuclearelectrica S.A.  
Daniela Lulache, General Manager

#### Letter of Expression of Interest

Subject: Attracting Investors for the Project Company which will develop and build Units 3 & 4 of CNE Cernavoda

The undersigned [full denomination], having its registered office in [a], identified by [relevant no. from the Trade Register], represented by [full name] as [a], is hereby expressing its interest to participate in the competitive process for the selection of investors for the Project Company which will develop and build Units 3 & 4 of Cernavoda NPP (the "**Project**").

We express adhesion to the rules laid down in the Regulation regarding the process of selecting investors to continue "Units 3 & 4 of Cernavoda NPP" Project (the "**Procedure**"). The terms written in upper case in this document are those defined in the Procedure.

We have signed the Confidentiality Undertaking regarding this competitive process as published on the SNN website ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)). We have acknowledged the fact that the Confidentiality Undertaking included in the Qualification Documentation may not be subject to any amendments proposed by the Interested Investors, and will be signed in the form published in electronic format on the SNN website.

We submit the Qualification Documentation filled-in according to the "Instructions on the process of qualification of investors for the project Units 3 & 4 of Cernavoda NPP" published on the SNN website ([www.nuclearelectrica.ro](http://www.nuclearelectrica.ro)), in two counterparts (one original and one copy) as well as in electronic format.

We wish to receive the Tender Dossier. We have acknowledged that it can be made available to us, amongst others, only after the payment of its consideration and after presenting the original Participation Guarantee at the SNN headquarters, by the deadline specified in the Procedure.



We understand that our participation to the Process is at our risk and expense alone, and that participation does not give us right to any compensation if we are disqualified, if we are not qualified or if the Process is terminated by SNN's discretionary decision, of the Romanian or European authorities or as a result of a decision of a court of justice or arbitral tribunal.

Location, date

Authorized representative [first name, last name and position]

Signature

## Annex 2

### CHECKLIST OF FILLED-IN QUALIFICATION DOCUMENTS

| No.  | Document Title  | Doc type – envelope 1 | Page no. – envelope 1 | Doc type – envelope 2 |
|--|---|-----------------------|-----------------------|-----------------------|
| <b>A. Letter of Expression of Interest</b>                             |   |                       |                       |                       |
| A.1  | Letter of Expression of Interest  | OG                    |                       | SC                    |
| <b>B. Identification documents of the Interested Investor</b>          |   |                       |                       |                       |
| B.1a   | Statement regarding the general identification data of the Interested Investor  | OG                    |                       | SC                    |
| B.1b   | Relevant extracts from the relevant Trade Register or Companies Register, attached to the declaration in section B.1b   | OG / LT               |                       | SC                    |
| B.2  | Document attesting the power of the signatory of the Letter of Expression of Interest to sign the document (e.g. extract from the Trade Register power of attorney, Articles of Incorporation)  | OG / LT               |                       | SC                    |
| B.3  | Consortium contract (agreement) (if applicable)   | OG / LT               |                       | SC                    |
| B.4  | Statement regarding: <ul style="list-style-type: none"> <li>• avoidance of conflicts of interest;</li> <li>• participation in the competitive process with a single bid;</li> <li>• intent to use Romanian suppliers of goods, works and services; and</li> <li>• maximum expected duration for the completion of the Project, in case the licenses and permits are obtained in accordance with the plan</li> </ul> | OG                    |                       | SC                    |
| <b>C. Documents on the relevant experience of Interested Investors</b> |   |                       |                       |                       |
| C.1  | Statement on Interested Investor's profile  | OG                    |                       | SC                    |
| C.2  | Statement on average annual electricity output and characteristics of the reactors  | OG                    |                       | SC                    |

| <b>D. Documents regarding the financial capability of the Interested Investor</b> |  |         |  |    |
|---|--|---------|--|----|
| D.1   | The latest available report attesting the credit risk rating or an alternative document attesting credit/financial creditworthiness  | OG / LT |  | SC |
| D.2a  | Statement regarding the ability to secure the financing of the Project   | OG      |  | SC |
| D.2b  | The financial statements of the Interested Investor, together with the reports of independent auditors for the last three years, as well as other documents deemed relevant, annexed to the document from point D.2b | OG / LT |  | SC |
| <b>E. Other documents</b>   |  |         |  |    |
| E.1   | Confidentiality Undertaking  | OG      |  | SC |

**Specifications:**

1. Original documents in another language than English or Romanian will be submitted as legalised translations of the original documents. The legalised translation will be done either in Romanian or in English, with the specification that, in maximum 10 calendar days of the notification regarding the qualification, the Qualified Investors must present legalised translations in Romanian of the filled-in and submitted Qualification Documentation, for the documents that have been drafted in another language than Romanian;
2. Documents representing statements of the Interested Investors will be submitted in original form, either in Romanian or in English;
3. Statements will be drafted using the header of the Interested Investor and will be signed by the person acting as a representative (as per section 2.3.2 of these Instructions), indicating the person's first and last name, as well as his position / quality). These documents will be numbered and signed on each page.
4. The abbreviations in the column "Document Type" mean the following:
  - **OG** – Original, only in Romanian or English language (at the discretion of the Interested Investor)
  - **LC** - Legalised copy of the original document (only in English or Romanian)
  - **SC** - Simple copy, with the statement "In conformity with the original" and certified (signed) for conformity on each page by the signatory of the Letter of Expression of Interest
  - **LT** - Legalized translation of the original document from the original language, into English or Romanian (at the discretion of the Interested Investor)

5. The Qualification Documentation will include an index of the documents submitted as per the model provided in Annex 2. The index will list the documents submitted, their form (OG, LC, SC and LT), as well as the number of pages of each document and the total number of pages of the submitted Qualification Documentation.
6. The envelopes will be marked with the inscription "Envelope 1" or "Envelope 2", as well as with the inscription "To the
7. attention of the Negotiation Commission of the Project" and the name of the Interested Investor; envelopes will be sealed to prevent unauthorized / accidental opening until the date of the opening session of the Qualification Documentation.
8. Interested Investors will prepare a cover letter in two originals. This cover letter will not be included in the envelopes containing the Qualification Documentation (original and copy). Through the cover letter, the Interested Investor declares that he submitted the Qualification Documentation, filled-in according to the Procedure and these Instructions. The cover letter, in two original copies, will be submitted to the SNN registration office simultaneously with the submission of the Qualification Documentation and will receive a number and a date (including hour) from the SNN mail registry. An original copy of the cover letter with the number and date of entry in the mail register of SNN will be returned to the Interested Investor's representative who submitted the Qualification Documentation or to the courier, as appropriate.

### Annex 3

#### Statement on the ability to secure the financing of the Project

Company:  
Address:  
Email:  
Telephone number:  
Fax number:  
The contact person:  
The position of the contact person:

In attention of: S.N. Nuclearelectrica S.A.  
Daniela Lulache, General Manager

Annual turnover for the last three years and total assets according to the last audited balance sheet (in billion EUR):

| Year    | Annual turnover (at 31 December*) - functional currency or presentation currency, other than EUR - | Annual turnover (at 31 December *) -EUR equivalent- | Total assets as per the last audited balance sheet (at 31 December) -functional currency or presentation currency, other than EUR- | Total assets as per the last audited balance sheet (at 31 December) -EUR equivalent- |
|---------|--|---|--|--|
| 2011    |  |   | Not to be presented  | Not to be presented  |
| 2012    |  |   | Not to be presented  | Not to be presented  |
| 2013    |  |   |  |  |
| Average |  |   | Not to be presented<br>**  | Not to be presented<br>**  |

\*) for the financial year identical to a calendar year; another date for a financial year different from the calendar year

\*\*\*) the values for the Total assets taken into account are those according to the latest audited balance sheet for the last financial year available (e.g. 2013, values at 31 December 2013)

Information regarding turnover and total assets are extracted from financial statements prepared in accordance with (if necessary, please specify which) international financial reporting standards (IFRS) / accounting standards generally accepted in the United States (U.S. GAAP) / accounting standards / financial reporting standards applicable in ..... (local accounting standards).

#### Value of equity commitment in a single nuclear project (billion EUR) [\*]:

*(Please present identification details of the nuclear project, the value of equity commitment, year by year scheduling etc.)*

Location, date

Authorised representative (first name, last name and position)

Signature