

**Endorsed,
Board of Directors
Alexandru Sandulescu
President**

NOTE

on the approval of the proposal of distributing the net profit of the financial year 2013, of the gross dividend per share, of the date when the dividend payment starts and of the payment methods

1. General aspects/competence

In compliance with the law provisions in force, the Board of Directors suggests the method of distributing the net profit of the financial year 2013, including the proposal of dividend together with the approval of the annual financial statements.

Art. 111, paragraph 1, letter (a) of the Law No. 31/1990 republished, as subsequently amended, stipulates that the Ordinary General Meeting of Shareholders has the task to determine the value of the dividend. At the same time, the provisions of art. 13 paragraph (3) letter (g) of the Articles of Incorporation of the national company Societatea Nationala Nuclearelectrica, stipulate that the Ordinary General Meeting of Shareholders "*approves and determines the dividends.*"

The legal basis is represented by:

-Law No. 31/1990 republished, as subsequently amended ("Law No. 31/1990");

-Government Ordinance (OG) No. 64/2001 on profit allocation to the national companies and trading companies with fully state-owned capital or with a majority state-owned capital, as well as to the autonomous authorities and entities, as subsequently amended ("O.G. No. 64/2001");

-Law No. 297/2004 on the capital market, as subsequently amended ("Law No. 297/2004");

-Law No. 571/2003 regarding the Fiscal Code, as subsequently amended (the "The Fiscal Code").

The Ordinary General Meeting of Shareholders has the competence to approve the proposal for the allocation of net profit and of dividend.

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2. Presentation

2.1. Distribution of the net profit of the financial year 2013

The proposal for the allocation of the net profit of the financial year 2013 by destinations was done in accordance with the provisions of the O.G. 64/2001. Thus, the net profit of the financial year 2013 will be assigned to the following purposes:

Indicator	Amount (lei)
The net profit of the financial year 2013, assigned as follows:	423,391,480

a) legal reserves	26,335,766
b) other reserves representing fiscal facilities stipulated by law	-
c) covering the accounting losses from previous years, except the accounting losses resulting from application of the IAS29	-
d) creation of their own funding sources for projects co-financed from foreign loans, as well as for establishing the necessary sources for the reimbursement of capital installments, for the payment of the interest, commissions, fees and other costs related to the foreign loans	-
e) other distributions stipulated by law	-
Accounting profit remaining after deducting the amounts mentioned above, assigned as follows:	397,055,714
f) employees' participation to profit	3,312,000
g) profit dividends due to the shareholders	340,957,135
h) other reserves	52,786,579
Total profit distributed after the allocation under items (a)-(e)	397,055,714

As for the amounts proposed to be distributed, we make the following specifications:

-The amounts allocated to the legal reserve shall be determined based on the provisions of article 183 of Law No. 31/1990 according to which *"every year, at least 5% from the company's profit shall be taken over for the formation of the reserve fund, until this reaches at least the fifth part of the share capital."* **The amount allocated to the legal reserve was taken over at the end of the fiscal year, representing the mandatory financial allocation in amount of 26,335,766 lei;**

-The amounts proposed to be distributed in the form of "employees' participation in the profit" are within the limit of 10% of the net profit, but not exceeding the level of the average monthly salary per employee in the year 2013 and considering the average number of employees in 2013. Thus, the maximum amount representing 10% of the net profit, but not exceeding the level of the average monthly salary per employee in the year 2013 would have been of 13,118,360 million lei; the proposal for the profit distribution includes only the amount of 3,312,000 lei, in order to comply with and to remain within the amounts previously budgeted in 2013. The obligation to participate in the profit was established by the budget of income and expenditure approved in 2013 so that the provisions of art. 1 paragraph (1), letter (e) of the G.O. No. 64/2001 be complied with;

-Gross dividends are proposed in the amount of **85.16%**, a percentage applied to the distributable profit after allocation to the destinations/purposes specified in art. 1 paragraph (1), letters (a)-(e) of the G.O. No. 64/2001 plus the amount proposed to be distributed in the form of "employees' participation in profit" for the reunification of the calculation basis. According to Art. 1 paragraph (1) letter (f) of G.O. No. 64/2001, at least 50% of the profit remaining after the distribution for the destinations/purposes specified in art. 1 paragraph (1) letters (a)-(e) of the O.G. No. 64/2001 should be distributed in the form of dividends. We mention that in the draft budget of income and expenditure for the year 2014, a dividend distribution rate of 85% was proposed. The percentage of 85.16% results from rounding off the proposed gross dividend per share, namely gross 1,21 lei /share;

-The profit remaining amounts to be distributed after the breakdown by destinations/purposes specified in art. 1 paragraph (1) letter a)-f) of O.G. No. 64/2001, are to be distributed in the form of own financing sources (other reserves).

2.2. The value of the gross dividend per share

The dividends to be allocated to the shareholders in the quantum stipulated in the proposal for distribution of net profit, namely the amount of 340,957,135 lei.

The number of shares for the subscribed and paid share capital is of 281,782,756 at this time. Thus, **the proposed gross dividend per share is of 1.21lei/share.**

The tax on dividends is to be transferred by SNN in accordance with the provisions of article 36 of the Fiscal code.

2.3. The date of the commencement of the dividends payment

The terms of the dividends payment in accordance with the applicable legal provisions are:

-According to the provisions of article 67 paragraph 2 of Law No. 31/1990, the dividends are distributed to the shareholders "*within the time limit set by the General Meeting of Shareholders or, as appropriate, set by special laws, but not later than 6 months after the date of the approval of the annual financial statements related to the ended financial year*";

-Art. 25 paragraph (5) of the Incorporation Articles of SNN stipulates that "*the payment of the due dividends to the shareholders is made by the company, in accordance with the law, within six months after the approval of the financial statements for the ended financial year ...*";

-Art. 238 paragraph 2 of Law No. 297/2004 stipulates that "*once the dividends are determined, the General Meeting of Shareholders shall also set the term within which they will be paid to the shareholders. This term shall not be longer than 6 months since the date of the General Meeting of Shareholders convened to determine the dividends*";

-The provisions of article 1 paragraph 3 of O.G. No. 64/2001 establish that, as an exception to the Law No. 31/1990: the national companies are obliged to transfer dividends due to their shareholders within 60 days after the deadline stipulated by the law for submitting the annual financial statements.

Thus, out of the corroboration of the terms in the normative acts and the above-mentioned Articles of Incorporation of SNN, it results that the time limit for the payment of the dividends by SNN is within 60 days after the deadline stipulated by the law for submitting the annual financial statements; considering that this latter term is 30 April, **the dividends will be paid as of June 27, 2014.**

2.4. The dividends payment method

The dividends will be paid to SNN's shareholders as follows:

-directly by SNN, by bank transfer, to the significant shareholders, as these are the shareholders who hold more than 1% of the number of shares issued by SNN, namely more than 2,817,827 shares;

-through a payment agent, for the other shareholders; the company may expand the direct payment for other shareholders, legal persons, this method is going to be brought to the shareholders' knowledge until the date of the commencement of the dividends payment.

The shareholders are charged no commissions for the dividends payment, regardless of the payment method, commissions which will be supported by SNN.

The identification data of the chosen payment agent, the detailed payment methods, the specific forms and necessary documents required by the shareholders for payment, will be brought to the shareholders' knowledge prior to the date of the payment commencement through press release and current report sent to the Bucharest Stock Exchange and to the Financial Supervisory Authority. The information will be posted on SNN site at the address www.nuclearelectrica.ro, Investor Relations section.

2.5. Registration Date

The registration date must be subsequent to the General Meeting of Shareholder (GMS) date (29.04.2014) at least by 10 working days. Thus, the proposed registration date is 16 May 2014.

2.6. The right to receive dividends

Only the shareholders who are registered with the S.C. Depozitarul Central (securities depository) S.A. on the registration date shall be entitled to receive dividends.

3. Proposals

Considering those mentioned above, we submit for the approval of the Ordinary General Meeting of Shareholders, the following:

- a) the proposal for the allocation of the net profit for the financial year 2013
- b) the gross dividend per share at the value of 1.21 lei/share
- c) the registration date: May 16, 2014
- d) the start date of the dividends payment: 27 June 2014
- e) the payment methods in compliance with this note.

Daniela Lulache
General Manager

Mihai Darie
Chief Financial Officer