



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

Note

Regarding the conclusion of a lease contract for the “Gabara 1000 tons” ship by means of an open-outcry auction

The gGabara 1000 tons type ship, without propulsion is an asset of Societatea Nationala Nuclearelectrica SA (« SNN »), Cernavoda NPP Subsidiary, which was commissioned in 1989. The ship was used during the contraction and completion of Units 1 and 2 for oversized transports.

During 2006-2014, following an open-outcry auction procedure, the ship „Gabara 1000 tons” was rented by S.C.Argos S.A. based on the lease contract 19701/2006. Due to the fact that the renter did not respect the contract’s provisions regarding the operation authorization of the ship in legal conditions, the lease contract was terminated starting with 30.08.2014.

SNN, Cernavoda NPP Subsidiary took possession of the ship based on a reception protocol and it is currently anchored in the harbour area of Cernavoda. Currently, the ship doesn’t have a practical application for SNN, but it could be used in the future, for the investment in Cernavoda NPP Units 3 and 4, if the following conditions are met: the continuation of the investment in the above mentioned nuclear objectives and the approval of the future constructor to use the ship. Thus, if the „Gabara 1000 tons” ship is to be used in this regard in the future, it should be maintained in an adequate operational and safety condition, with the necessary authorizations up to date. The accounting value of the ship is 71.966,69 lei.

The operation of this ship is in compliance with the provisions of the Order of the Ministry of Transportation number 39/2014 regarding the establishment of the minimum crew number for the safe operation of Romanian ships under the Romanian flag.

In this regard, for the preservation of the ship and its maintenance in normal operating conditions, a series of expenses are necessary in the amount of 50.000 euro resulting from:

- permanent specialized crew for the protection and safety of the ship;
- the moorage of the ship in special designated areas (harbour area) not to affect transport on the waterways of the Danube;
- the preservation of the ship and its maintenance in normal operating conditions through periodical paint jobs and application of antifouling paint.

Also, in February 2015, the ship has to be docked (lifted on dry land) in order to allow the inspection of the specialists of ANR – Technical Marine Board of Constanta in view of obtaining the navigation certificate.

Taking into consideration the above mentioned aspects as well as the following:

- Renting the “Gabara 1000 tons” ship would eliminate the expenses related to its preservation in safety conditions, these costs falling into the responsibility of the renter; the renter will also bear the cost of the authorizations; at the same time, the ship would produce profit, if rented;
- The renting of the ship would allow it to remain in the ownership of SNN, in view of its future use for Units 3 and 4 investment;
- The fact that, as per the provisions of article 15, paragraph 4 of the Law 137/2002 **regarding certain measures to accelerate privatization** “the sale, **renting**, joint venture associations, contributions to the share capital of a commercial company, asset leasing and the life interest related to the assets of a commercial company, including the ones of strategic importance, is approved by the general meeting of the shareholders based on the power of attorney granted by the implicated public institution”.

we request the Ordinary General Meeting of Shareholders of SNN to:

- approve the renting of the « Gabara 1000 tons » ship by means of an open-outcry auction, for a two year period. In case the open-outcry auction is not be finalized by concluding a contract after three consecutive trials, the proposal of annulment of the ship and its capitalization in compliance with the applicable procedures will be subjected to the approval of the Board of Directors.

Daniela Lulache

CEO