



Translation from Romanian

**THE STATUS OF THE BUSINESS RELATIONS BETWEEN
"SOCIETATEA NATIONALA NUCLEARELECTRICA S.A." AND
"COMPANIA NATIONALA A URANIULUI S.A."**

SNN initiated on 17.06.2016 new procurement procedure for UO₂ sintered powder and processing services for non-conforming materials containing natural uranium in order to recover the uranium as UO₂ sinterable powder. SNN asked offers from the two qualified suppliers, namely CNU and Cameco Inc. the offer request in this second procedure took into account the same amount of 120 tonnes of UO₂ in order to provide the necessary raw material of SNN for a short period lasting until the conclusion of suppliers' qualification procedure in order to conclude a 4-year Main Agreement.

On 04/07/2016, Cameco was declared winner of the procurement procedure for 120 tonnes of natural uranium as UO₂ sintered powder, with the lowest price, namely 429.47 lei/kg U in UO₂ (equivalent in RON of price in USD). SNN asked Cameco to agree the publishing of the price since the standard contractual conditions provided for confidentiality of the price. CNU was declared the winner of the procurement procedure for processing services of nonconforming materials containing natural uranium in order to recover the UO₂ sintered uranium powder, as specified in the descriptive documentation.

For the purchase of uranium powder two offers - from Cameco and CNU respectively - were received, the price offered by Cameco being significantly lower than the price offered by CNU.

The carrying out of the second procurement procedure also highlights the low amount of raw material and short duration of the contract, so that CNU to have the opportunity to participate in a competitive manner in a longer term (2-4 years) uranium powder procurement procedure. Such contracts between producers and suppliers of raw material are long-term contracts since both partners need predictability and contractual and financial stability in developing their core business.

In order to ensure security of long-term supply and avoid dependence on a single supplier, whichever it is, SNN initiated in the month of April 2016 a procedure of qualification for some potential suppliers of raw materials (CNU and Cameco being already qualified suppliers) in order to conclude a purchase contract for a longer period (2-4 years). Although some international suppliers were interested, the procedure was completed without any new supplier qualification because the only supplier who submitted the documentation in due time did not prove to comply with the product technical specifications which had been required by SNN. SNN will resume the qualification procedure for new suppliers in the near future.

At the moment, there is no legal impediment for SNN that could limit the conclusion of a long-term main agreement, considering that SNN already has two qualified suppliers, as specified by the Euratom Supply Agency, **but SNN believes that the proper management of the addiction risk can only be done if at least**

3 suppliers are qualified and the same fair and lawful treatment is applied to all of them.

The uranium international market is dynamic, the supply and demand are evolving, as well as the prices, proof of that being the downward evolution of import prices, according to the market data attached to this report, and the great interest of SNN is to ensure the supply and operation and implicitly to reduce dependence on suppliers.

Throughout time the business relations between SNN and CNU took into account the conduct of three types of contracts: supply of natural uranium as UO₂ sintered powder, processing of non-compliant materials containing natural uranium in order to recover the uranium as UO₂ sinterable powder and waste disposal services.

These business relations between SNN and CNU were conducted in accordance with applicable law and in compliance with the conditions imposed by the quality standards of the nuclear industry until 2015 when, as we understand, given the measures ordered by the Court of Auditors, following an internal analysis, CNU decided to require a significant increase in the purchase price of the raw material UO₂ sintered powder.

The significant increase in the price (approx. 76% higher than the price of the most recent contract signed between SNN and CNU in 2014) resulted in the legal and financial impossibility of SNN to accept this price and to increase accordingly the price initially negotiated in the contract signed in 2014. This, together with CNU refusal to supply the raw material for December 2015 and to accept the correlation of the increased price to a market price, in accordance with applicable laws, led to the termination of the contract as concluded 2014.

In this context, in order to manage the risk related to the damage of FCN Pitești, and implicitly CNE Cernavodă operation continuity, in the month of December 2015 SNN initiated an emergency procedure to procure the necessary raw material for a period of 6 months and an amount of UO₂ 120 tons from the two qualified suppliers, namely CNU and Cameco Inc. Whereas CNU has maintained a very high price in that proceeding, far above the market price, and considering the principles applicable to acquisitions, whatever their nature, SNN declared Cameco as winner of the bid. Therefore, import of raw material has not been an option for SNN, but a consequence.

Under the contract signed in 2014, retaining of the performance guarantee was a legal right of SNN negotiated with CNU, due not only to the refusal of CNU to achieve delivery of raw material, but as it turned out, to its failure to deliver the raw materials regardless of the conditions offered by SNN and/or the deadlines for remedy the situation. By refusing to fulfil the obligations of the contract negotiated and agreed by both parties, CNU violated the contract binding force and, according to art. 1350 par. 2 Civil Code, it could be liable for the damage caused to SNN.

SNN will return to CNU the performance guarantee established in the contract signed in 2014 because after the current analysis considering the results of the second acquisition procedure initiated by SNN, the damage to SNN does no longer exist for a 240 tons cumulative quantity, while for the remaining amount that was to be delivered by CNU (about 54 tons), the damage probability is more reduced. Thus, we are explaining:

According to the results of the procedure launched on 17.06.2016, SNN reviewed the damage related to the first two tranches of 120,000 kg U in UO₂, resulting that, given that for the first tranche there was certain damage and for the second tranche there was no damage, taken cumulatively for the amount of approximately 240,000 kg of U in UO₂, the damage does not exist. This is because the benefit on the second tranche of 120 tonnes (due to a lower price than the one in the contract signed in 2014: 475 lei/kgU) is greater than the damage for the first tranche. Thus, SNN will return to CNU the guarantee retained following the conclusion of

the first contract for the amount of 120,000 kg U in UO₂ and will release the rest of the performance guarantee since an eventual future damage could occur only for an amount of 54.6 tons to be purchased by SNN in the future, and the simulations performed show that the possibility of this happening is low.

For your information and the ability to correlate the chronological and factual information presented above with the sequence of facts prior to termination of the contract concluded with CNU in 2014, we provide to you a history of the steps taken by the termination of the contract.

HISTORY OF BUSINESS RELATIONS WITH "COMPANIA NATIONALA A URANIULUI" SUBSEQUENT TO CONCLUSION OF CONTRACT NO. 434/09.04.2014

- *The latest Contract for the supply of uranium dioxide (UO₂) sintered powder with Compania Nationala a Uraniului/Uranium National Company ("CNU") was concluded on 09.04.2014 at the negotiated price of 475 lei/kg uranium in UO₂ valid the first year, with the possibility of renegotiating the price by agreement of the parties after the first contractual year. The contract was concluded for an amount of 660 tonnes and 3-year duration;*
- *The Contract provided the possibility of renegotiating the price after 12 months of firm price in justified circumstances, according to the legislation applicable to both companies;*
- *During 2015 (February-November) CNU requested the increase of the price of 475 lei/kg formulating various proposals between 595 lei/kg and 887 lei/kg, without meeting the conditions of justification required under the Contract, by ignoring the applicable legal provisions and failing to explain in an objective manner and with legal and financial arguments, the differences between the price proposals submitted from month to month, invoking at the end of 2015 various costs for converting of uranium octoxide (U₃O₈) into uranium dioxide (UO₂) in a short time;*
- *According to the minutes of the trading session between CNU and SNN dated 27.11.2015, CNU representatives said they would not make delivery for the month December 2015 if SNN did not accept the price of 840 lei/kg. SNN informed CNU it was unable to grant this legal and financial price increases and requested CNU to give notice on incapacity to perform deliveries under the contract so that SNN could take the necessary measures to ensure raw materials supply;*
- *The price offered by CNU was not a market price and could not be accepted by SNN resulting in flagrant violation of the principles of efficient use of funds, efficiency, economy and effectiveness stipulated in the regulations applicable to SNN;*
- *In case of failure to deliver the amount for December 2015, FCN Pitesti branch would only be operated within normal parameters until February 2016 after which it ought to enter into conservation, the costs amounting to approximately 3.34 million lei/month which would have added technical unemployment benefit for employees, 1.4 million lei/month. Besides, the restart of activity would require requalification of the production process (after a period greater than 90 days) and additional costs amounting to 2.5 million;*
- *Obviously, the affecting of continuity of production at FCN Pitești had a significant negative impact on the CNE Cernavodă nuclear power plant operation continuity;*
- *The contractual term within CNU had to make the delivery for December 2015 was dated 10.12.2015;*
- *On 11.12.2015, pursuant to Art. 9.3 of the contract, SNN notified CNU about its failure of delivery within the deadline set in the contract, namely 10.12.2015 and granted CNU a remedy term dated 28.12.2016, to perform the delivery for month of December under the contractual terms;*
- *On 14.12.2015, SNN urgently sent invitations to the acquisition procedure of UO₂ to two qualified suppliers of SNN, respectively CNU and CAMECO, considering the period in which the FCN would have to operate within normal parameters with the existing reserves and that implementation of such a procedure is a lengthy process (signing the contract, obtaining of export permits by CAMECO, obtaining CNCAN permits for powder);*
- ***SNN reserved the right - within the new procurement procedures of UO₂ - to abandon this procedure at any time, granting so, obviously, every chance for CNU to reconsider its position and make the delivery according to the terms of the contract or within the remedy period granted by SNN. The SNN right to***

abandon the procedure at any time is clearly mentioned in the urgent call for tender/procurement procedure organized by SNN;

- 16.12.2015 - deadline for submission of tenders under the emergency procurement procedure of UO2 - CNU submit an offer 76% higher than the price of the contract concluded in 2014 and significantly higher than that submitted by Cameco;

- On 22.12.2015, SNN required CNU to improve its offer in accordance with the specifications of the procedure, thus giving a new possibility, even under the new procedures, to maintain the contractual relationships with SNN, but under the law, CNU maintains the tendered price;

- On 23.12.2015, CNU, although it had not adopted a decision within the 15 days remediation term and even had participated in the new procedure with the same price significantly above the market price, required the extension of the 15 days remediation term stipulated in the Contract (art. 9.3) for another 30 days starting on 26.12.2015;

- SNN agrees the extension and proposes CNU to conclude an addendum to the contract, but CNU disagrees. The addendum focused on the following issues: extension of the remediation term up to 25.01.2016 only for delivery due in the first decade of December 2015, such extension not affecting the right of SNN to request delay penalties and/or damages under the contract; the extension of the remediation term is granted conditioned by the acceptance by CNU of some clauses stipulating the SNN right to modify the duration of the contract and the delivery schedule.

- In terms of CNU's refusal to make the delivery for December 2015, according to the clauses of the contract, but also inclusively up to the deadline set for remediation (28.12.2016), the contract with CNU terminates on 29.12.2015.

THE RELATIONS BETWEEN SNN AND CNU SUBSEQUENT TO THE TERMINATION OF THE CONTRACT CONCLUDED IN 2014

- Therefore, the initiation and development of the urgent procurement procedure for UO2 powder considered providing the necessary raw material for the normal operation of FCN Pitești and Cernavodă, the risk being, as mentioned above, the suspension of FCN Pitești operation, including high costs related to plant maintenance during this period and unemployment insurance for staff of FCN Pitești.
- The contract with Cameco (the other qualified provider of SNN in 2008) provided the delivery of a quantity of 120 tonnes for a period of six months, amount and period which obviously justified the pressing need to manage a major risk operation.
- SNN presumed, objectively, taking into account the fact that CNU had a new leadership, that a 6-month period is both necessary and sufficient to correct the problems of CNU so that the resumption of the contractual relationship with its sole customer, SNN, under conditions of legality, represents the basis for a strategy for CNU recovery.
- Although the 6-month period has passed, CNU attitude towards the remedy of contractual relations with SNN is unchanged. Thus, at the time SNN asked to clarify the legal situation of the 4.2 tons of UO2 owned by CNU, but in possession SNN (used as a raw material sample taken before completion of the contract delivery trances), in accordance with art. 14.6 of the contract, although in the end, after long discussions, CNU accepted the solution proposed by SNN, however, until now, CNU has not signed the documents necessary to make the transfer of ownership, although it would receive approximately EUR 450,000, by applying the purchase price for UO2 powder under the contract, i.e. 475 lei/kg.
- In addition to the CNU letter no. 3607/10.05.2016 by which SNN was required to pay back the difference

between the amount accumulated in the account opened with the Bucharest Treasury and the equivalent of the damage estimated by SNN, SNN expressed by letter no. 6337/19.05.2016 the agreement to release the rest of the performance bond if the cash collateral is replaced by a guarantee on goods belonging to CNU respectively with a security mortgage on a stock of uranium dioxide sintered powder in the amount of about 16.2 tons of U in UO₂. The security mortgage was to be executed by SNN only if SNN would find a future damage in addition to the damage already suffered by taking in payment of an amount of uranium dioxide sintered powder, within the limit of the damage.

- Additionally, SNN proposed that the mortgaged product not delivered yet to FCN remains in possession of CNU, namely the quantity of 12,000 kg of U in UO₂, CNU undertaking the obligations of storage under appropriate conditions and the immediate release of good in case of execution.
- The fact that SNN has not received any response regarding the conditions for replacing the guarantee demonstrates that CNU did not aim its economic recovery, nor maintaining friendly relations of cooperation with SNN. Moreover, CNU sent a complaint dated 23.06. 2016 which refers to the following aspects:

a. a. Initiation by SNN of the urgent procurement procedure of UO₂ powder before the remediation deadline (28.12.2015)

The urgent procedure for procurement of UO₂ powder was internally initiated by SNN on 03.12.2015 given the repeated refusal of the CNU representatives CNU to deliver the amount of UO₂ for December 2015. The internal initiation of the procedure is a normal proactive process considering that it consists in drawing up documents relating to the launch of procedure. The announcement was released by SNN on 14.12.2015, subsequently to the due date of delivery by CNU of the raw material for December 2015 and subsequently to the transmission of the notification dated 11.12.2015 by the SNN to CNU, notification which included a remediation due date (up to 28.12.2015).

Sending the call for tender for the new procedure dated 14.12.2015 did not at all influence the opportunity CNU had to remedy the situation on the resumption of deliveries of raw material to SNN, according to the contract, as in paragraph 8.1 it is clearly specified: *SNN reserves the right to cancel this procurement procedure at any time, without any obligation of any kind, against bidders*, which means that if CNU had continued deliveries within the due dates and in accordance with the contractual provisions, SNN would not have signed another contract. The sole purpose of initiating this procedure was the management of an unacceptable risk for SNN, namely the risk of being short of the raw material required to operate the nuclear reactors. This approach, in a normal business environment, especially when the industry is a strategic one, is mandatory.

On 27.11.2015, in the minutes of the meeting made between SNN and CNU, it is specified as follows: *CNU informed SNN that it would not be able to make delivery in December 2015 to the current price (...) SNN asked CNU to send in the shortest possible time a written notice in order to clarify its position with regard to fulfilling the obligation of delivery under the contract nr.434/09.04.2014, so SNN could take the legal actions which are required, including, if necessary, starting an emergency procurement procedure, given that SNN could not accept the proposed price increase.*

Thus, contrary to the statements of CNU representatives, the procedure launched by SNN, after the due date set for CNU delivery of raw materials for December 2015, did not affect in any way the delivery of UO₂ powder by CNU according to the contract, CNU being able to notify SNN on achievement of delivery any time until 28.12.2016, regardless the new procurement procedure, which, in case of delivery achieving by CNU, SNN could have given up, as specified in the call for tender.

Therefore, the assertion made by CNU according to which sending of powder for being tested at FCN and receiving of quality acceptance by FCN would have meant actually the CNU intention to make the delivery, according to the conditions and the contract price, is not true. CNU never intended to carry out the delivery, nor had carried it out, by using the remediation deadlines granted by SNN to create further pressure on SNN.

Regardless the parallel conduct of an urgent procurement procedure, CNU was given the opportunity to use the 15-day term provided by SNN based on art. 9.3 in order to meet the contractual delivery obligations, the contract was in force at that time, so if CNU had really wanted to make the delivery they could have made it, SNN being obliged to receive the product.

b. Ignoring its own limited storage/processing of UO2 powder capacity by SNN, which would have allowed SNN to buy raw material from only one supplier and initiation in this period of a new procurement procedure without waiting for the end of 15-day remedy period, the consequence being the superposition of the two contracts between December 23 -December 29, 2015.

According to the call for tender for the new procedure, the date of first delivery amounting to 30 tons of UO2 powder under the new contract was expected to be February 10, 2016. Even if CNU had delivered the amount for December, the two deliveries would not have overlapped each other. There can be not an issue of overcoming storage capacity. Another argument in this respect: according to the schedule of the contract with CNU, CNU had to make in the period December 2015 - February 2016, three deliveries of 15 tons, amounting to a total of 45 tons. In the call for tender, SNN clearly stated that the first delivery of 30 tons had to be made by February 10, 2016.

We mention that CNU is in error when mentioning the overcoming storage capacity. This issue has no relevance in this case, but it only regards the internal organization of SNN, the policy establishing the safety stocks being an internal issue of SNN.

The contract with Cameco was signed after the termination of the contract with CNU (which was concluded on 29.12.2015, after the expiration of 15-day remediation period given by Notification dated 11.12.2015). Therefore it is not true that the two contracts would have overlapped between December 23, 2015 and December 29, 2015.

To these points raised by CNU, though CNU knows well the facts and documents as it decided not to act in any way on their basis, SNN specifies as follows:

- SNN tried repeatedly to maintain the contractual relationship with CNU, under the legal conditions;
- SNN granted the 15-day remediation periods, although CNU clearly mentioned that it refused to make the delivery;
- SNN has provided a further remediation term, within 30 days, at the request CNU conditioned by signing an addendum to the contract, as it is legally and naturally, such term being also refused by CNU;
- SNN, fully aware of its responsibility for ensuring continuity in operation of FCN Pitești and CNE Cernavodă, initiated an emergency procedure to eliminate the risk of major interruptions in production since it had no other option;
- The call for tender (namely the launching of the procedure) was sent to CNU after expiry of the contractual delivery due date, which was 10.12.2015;
- SNN reserved the right to waive the procedure any time hoping that CNU will resume deliveries under the contract;
- SNN did not negotiate before starting the procedure, the purpose of this procedure being precisely the procurement of raw material at the market price, in a transparent manner. SNN did not contract any quantity of raw material before the expiry of the remediation period, the contract with Cameco being

done subsequently to 29.12.2015;

- SNN tried to give additional support by purchasing raw materials used during the period of the contract with CNU for making tests and releasing the rest of the performance bond, the cash collateral being replaced by a guarantee on some goods belonging to CNU, support that CNU refused by its lack of reaction.

All steps taken by SNN during this period represented an effort to continue the business relations with a historical and strategic partner, but SNN, as a business entity, like CNU, cannot force another business entity, regardless of the business relations nature, to adopt a commercial conduct appropriate to the difficult situation it is going through.

Equally, SNN will never act, regardless of the partner involved, by violating the law, and will NOT endanger the company's own staff and will NOT implement actions leading to damage to the interests of its shareholders as a listed company.

- **c. CNU declared with a logic which is at least questionable that SNN was able to execute the performance bond instead of initiating a new purchase/signing a new contract and that retaining the performance bond represents an abuse.**

Under the contract, CNU caused to be issued a cash collateral in favour of SMM as performance bond that covers the risk of non-fulfilment of the contractual obligations by CNU. It is expressly mentioned in the Contract (art. 10.3) that the obligation to release the performance bond exists exclusively in case CNU does not fulfil properly its contractual obligations and only if SNN make no use of art. 10.4 of the contract which refers to the execution of the performance bond. Saying that SNN improperly withheld the performance bond denotes both an erroneous interpretation of the contract and ignorance of the applicable legal framework of the performance bond. Art. 10.4 states explicitly that SNN is entitled to issue demands on the performance bond, limited to the damage caused if the supplier fails to fulfil or improperly fulfils its obligations or in case of late fulfilment of such obligations. Thus, given the existence of a damage subsequent to the acquisition of the first tranche amounting to 120 tonnes of OU2 from other qualified provider, SNN has had all the legal elements to execute the performance bond of CNU set under the contract.

After carrying out and completing the new procedure for an additional quantity of 120 tonnes of UO₂, there is no cumulative damage for a quantity of 240 tons for SNN and SNN will fully refund the performance bond to CNU.

Maintaining the performance bond by the time of full and correct calculation of damage was a right of SNN and a legal obligation of CNU.

By refusing to fulfil the obligations of the contract negotiated and agreed by both parties, CNU culpably violated the binding force of the contract and, according to art. 1350 par. 2 Civil Code might be liable for the damage caused to SNN.

CNU knows that SNN is not guilty of insufficient liquidity of CNU nor could be deal with any abuse in the context in which SNN offered an alternative to release the cash guarantee by replacing it, alternative repudiated tacitly by CNU through its inaction.

Let's presume, for argumentation, that SNN would have used the performance bond instead of initiating an emergency procedure. How could such a small amount, namely the performance bond, to cover the damage caused to SNN if, given the lack of raw materials, the FCN activity would have been stopped fact that would had

an impact on the Cernavodă NPP operation? Indirect damage would have been huge, impossible to be covered by the performance bond. In its complaint, CNU says that SNN might use the performance bond in order to resolve the situation created, i.e. non-delivery of raw materials needed for operation. Under what legal terms and financial conditions such a major risk can be remedied after it occurred? Does CNU undertake legal responsibility for such a situation?

d. The CNU statement according to which CNU is nominally invested by GD 1009/2009 and by the thematic memoranda of the Romanian Government in the years 2013 and 2014 to deliver UO2 sintered powder sintered for Cernavodă NPP Units 1 and 2, therefore the award of a contract to the other qualified provider would be null and void.

GD 1009/2009 regulates the refining of the uranium stock in concentrates made up during 1993 - 2008, mentioning in art. 2 that this stock will be refined within CNU, Feldioara Branch, in order to use it as uranium dioxide sintered powder for the manufacture of nuclear fuel necessary to Units 1 and 2 of the SNN Cernavodă Nuclear Power Plant. Besides, art. 3 of GD 1009/2009 mentions that exploitation of uranium dioxide sinterable powder will be made at a **price negotiated** between SNN and CNU. Thus, GD 1009/2009 regulates mainly the duties of CNU not those of SNN, the only provisions regarding SNN being related to the fact that SNN will negotiate with CNU a price for the acquisition of uranium sintered powder.

From the legal point of view, the contract between SNN and CNU is a supply contract, and according to art. 1768 in the Civil Code the price due by the customer is the price stated in the contract or under the law.

Corroborating the general provisions of the Civil Code with the text of the government decision with particular applicability to the contractual relationships between SNN and CNU, it follows that the legislature chose for determining the price in relation to the economic interests of both parties, as there is no legal text to regulate priority protection of one of the parties or to set a specific price. Moreover, it is only natural that the legislature not to interfere in the contractual relations between two companies, exceptional situations being strictly regulated by law; by way of example, when the legislature intends to establish a price, it uses the mechanism of the regulated prices that have a strict legal framework, which is not the case of the price of uranium dioxide powder.

We emphasize that art. 4 of GD 1009 issued in 2009 provided since its coming into force that CNU has as budgetary responsibility the equivalent of uranium technical concentrates and the application of these provisions has been and is the sole responsibility of CNU, SNN having no liability in relation to these provisions. Moreover, contrary to what CNU stated, there is no provision in GD 1009/2009 to establish a legal obligation for SNN to purchase uranium dioxide powder from CNU regardless of the price set. We mention that SNN, a company listed on the Bucharest Stock Exchange, operates mainly on the competitive market of sale of energy and it cannot purchase raw materials at any price asked unilaterally by CNU, the price of raw materials having direct impact on the price of energy sold and, therefore, on the company's revenue.

Changing the payment obligations CNU has to the state budget, i.e. the equivalent of the uranium technical concentrates that CNU get from the state reserve to refine and sell as UO2 sintered powder is not a situation caused by negligence of SNN, CNU having the obligation to properly apply the provisions of art. 4 of GD 1009/2009 since there is no document or enactment in this regard which could oblige SNN to support the equivalent of those concentrates.

On the contrary, there are laws that prevail in the application and impose certain conditions on the achievement of SNN acquisitions, the market price, relationship with affiliates, the principle of competitiveness between qualified suppliers, efficient spending of funds.

CNU interpretation on the contract concluded with other qualified provider is erroneous, considering the causes that led to the conclusion of this contract given that SNN and the Romanian state, through its authorised institutions, qualified this supplier in 2008. According to the regulations of Euratom Supply Agency ("ESA"), any producer, including SNN, should have at least two qualified suppliers. Did CNU refer to the alleged illegality to award a contract to this second supplier in 2008 and thereafter?

Given the above, SNN firmly maintains its position: it will only act lawfully and only in the interest of the company, its staff and its shareholders.

Additionally, under purely economic terms, no business entity could accept safeguarding the interests of another entity by purchasing a product at a price well above the market price by taking the risk to lose money. The only one who has to bear the product lack of competitiveness is CNU, not SNN. SNN cannot be held responsible for the current and previous decisions made by CNU and for the profitability of this company.

SNN is both legally and financially unable to purchase uranium at a price well above the market price and/or much higher than the one offered by other qualified suppliers since it is a legislative violation often invoked in all fields. SNN responsibility is to ensure efficient and safe operation of nuclear facilities in its field: the nuclear fuel factory FCN Pitești and Cernavodă NPP, which provide about 20% of the Romania's energy consumption. The statements that are based on false arguments, clarified above, indicate a counterproductive approach of CNU likely to aggravate the activity of both companies. CNU current goal must be the identification of recovery and growth solutions that allow CNU to become a qualified supplier active in its relation with SNN.