

FONDUL PROPRIETATEA

To: SN Nuclearelectrica SA
Attention of: Members of the Board of Directors
Reference to: Request for the introduction of additional items on the agenda of the Ordinary General Meeting of Shareholders of April 24, 2017

Stamp: SOCIETATEA NAȚIONALĂ NUCLEARELECTRICA SA
General Registrar's Office
No. 4049 of April 5, 2017

Dear Sirs,
Dear Madams,

The undersigned, **FONDUL PROPRIETATEA S.A.**, residing in Bucharest, Str. Buzești nr. 78-80, 7th floor, Sector 1, registered with Trade Register Office attached to the Law Court of Bucharest under number J40/210901/2005, taxpayer number 18253260, represented by Mr. Johan Meyer, as Legal representative, according to the provisions of art. 117¹ par. (1) of the Law no. 31/1990 regarding the trade companies, as republished, as subsequently amended and modified and to the provisions of art. 7 par. (1) section a) of the Regulations of the Romanian National Securities Commission no. 6/2009 on the exercise of certain rights of the shareholders in the general meetings of trade companies,

we request herein the introduction of certain additional items on the agenda of the Ordinary General Meeting of Shareholders of SN Nuclearelectrica SA of April 24, 2017:

Item 1 Approving the distribution of the net profit of the financial exercise 2016, per destinations, approving the total amount of the gross dividends amounting to lei 107,248,477, the value of the gross dividend per share amounting to lei 0.3557 per share, the date for the payment of the dividends, that is June 28, 2017 and of the payment terms provided in the Notification sent by Fondul Proprietatea SA

Item 2. Approving the distribution of the amount of lei 452,270,776.50 of the reported result of the company as additional dividends, the amount of the additional gross dividend amounting to lei 1.5 per share. The additional dividends appropriate to the shareholders from the reported result will be paid on the same date, i.e. June 28, 2017, on the same payment terms as the dividends corresponding to the net profit of the financial exercise 2016.

Draft of decision for the additional Item 1

"Before the shareholders representing% of the share capital and% of the voting rights, the item hereby is passed with votes representing% of the validly expressed votes, according to the provisions of art. 15 of the Articles of Incorporation and art. 112 par. 1 of the Law no. 31/1990.

The expressed votes were expressed as follows:

FONDUL PROPRIETATEA S.A., alternative investment fund • Residing in Strada Buzestl nr. 78-80, 7th floor, sector 1, Bucharest, postal code 011017, Romania • Taxpayer number (CIF): 18253260, registered with the Trade Register under number J40/21901/2005 • Registered with the Personal Data Operators' Register under number 18668 • Share capital: lei 5,742,226,025.22 RON, Paid share capital: lei 5,534.852,985.72 • Ph.: +40 21 200 9600; Fax: +40 21 200 9631; Email: office@fondulproprietatea.ro, Internet: www.fondulproprietatea.ro

- votes "for"
- votes "against"
- "abstentions"
- "unexpressed" votes

A number of were annulled.

They approve the distribution of the net profit of the financial exercise 2016, per destinations, approving the total amount of the gross dividends amounting to lei 107,248,477, the value of the gross dividend per share amounting to lei 0.3557 per share, the date for the payment of the dividends, that is June 28, 2017 and of the payment terms provided in the Notification sent by Fondul Proprietatea SA

Draft of decision for the additional Item 2

„ Before the shareholders representing% of the share capital and% of the voting rights, the item hereby is passed with votes representing% of the validly expressed votes, according to the provisions of art. 15 of the Articles of Incorporation and art. 112 par. 1 of the Law no. 31/1990.

The expressed votes were expressed as follows:

- votes "for"
- votes "against"
- "abstentions"
- "unexpressed" votes

A number of were annulled.

They approve the distribution of the amount of lei 452,270,776.50 of the reported result of the company as additional dividends, the amount of the additional gross dividend amounting to lei 1.5 per share. The additional dividends appropriate to the shareholders from the reported result will be paid on the same date, i.e. June 28, 2017, on the same payment terms as the dividends corresponding to the net profit of the financial exercise 2016.

Kind regards,

Legal representative

Johan MEYER

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Stamp: FONDUL PROPRIETATEA S.A.

Franklin Templeton Investments Management Ltd. United Kingdom Bucharest Branch, as Investment Director of FONDUL PROPRIETATEA S.A.

NOTE

on the approval of the proposal for the distribution of the net profit of the financial year 2016, of the gross dividend per share, of the date for the payment of the dividends and the payment terms

Material corresponding to the additional item 1 proposed by Fondul Proprietatea on the agenda of the General Meeting of Shareholders of April 24, 2017

1. General Aspects / competence

Art. 111 par. 1 section a) of the Law no. 31/1990 as republished, as subsequently amended and modified, provides that the Ordinary General Meeting of Shareholders undertakes the settlement of the amount of the dividend. Also, the provisions of art. 13 paragraph 3 section g) of the Articles of Incorporation of the Company Societatea Națională Nuclearelectrica, the Ordinary General Meeting of Shareholders “approves and sets the dividends”.

The incident legal grounds are represented by:

- Law no. 31/1990 as republished, as subsequently amended and modified (“Law no. 31/1990”);
- Government Ordinance no. 64/2001 on the profit distribution for the national societies, national companies and commercial companies with whole or majority state owned capital, as subsequently amended and modified (“G.O. no. 64/2001”);
- Law no. 297/2004 on the capital market, as subsequently amended and modified (“Law no. 297/2004”);
- Law no. 227/2015 on the Fiscal Code, as subsequently amended and modified (“Fiscal Code”);
- Regulations of the Romanian National Securities Commission no. 1/2006 issuers of and operations with securities (Regulations no. 1/2006).

2. Presentation

2.1. The distribution of the net profit corresponding to the financial exercise 2016

The proposal for the distribution of the net profit of the financial exercise 2016, per destinations, was made according to the provisions of the G.O. no. 64/2001. Thus the net profit of the financial exercise 2016 will be distributed on the following destinations:

Indicator (financial exercise 2016)*)	Amount (lei)
Net profit of the financial exercise (A)	116,242,451
+ Provision on the participation of the employees to the profit (deducted from the accounting profit) (B)	
Net profit distributed per the financial year (A+B), distributed as follows:	116,242,451

- | | |
|---|-----------|
| a) legal reserves | 6,518,506 |
| b) other reserves representing fiscal easements provided for by the | 2,454,218 |

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law

c) coverage of the accounting losses from the previous years, except for the accounting losses due to the application of IAS29	-
d) constituting funding sources for the projects confirmed from external loans, as well as constituting the sources necessary for the reimbursement of the capital installments, the payment of interests, commissions and other costs corresponding to the external loans	-
e) other distributions stipulated by the laws in force	-
Profit to be distributed after the deduction of the above-mentioned amounts (a-e), of which it was distributed as follows:	107,269,727
f) contribution of the employees to the profit	-
g) dividends for the shareholders	107,248,477
h) other reserves	21,250
Undistributed profit	

*) Note—the amounts are rounded to the closes whole number

As far as the amounts to be distributed are concerned, we stipulate as follows:

- The distributed amounts out of the legal reserve are determined based on the provisions of art. 183 of the Law no. 31/1990 according to which “The company will take over at least 5 percent of the profits every year, in order to form the reserve fund until it amounts to a minimum of a fifth part of the registered capital.” **The amount allotted to the legal reserve was resumed in the closing of the financial exercise, representing the compulsory distribution amounting to lei 6,518,506;**
- **Other reserves (lei 2,454,218) representing fiscal easements** provided by the law are allotted based on art.22, par.(l) of the Law no. 227/2015 on the Fiscal Code, as subsequently amended and modified (appropriate to year 2016); this refers to the exempt tax on profit corresponding to the investments in technological equipment – tools, machines and work stations, as provided for in the sub-category 2.1 of the Catalogue for the classification and normal period of use of fixed assets, used for the performance of the business (only new pieces of equipment), as computers and peripherals, computer programmes and other electronic devices and appliances, as provided for in class 2.2.9 of the Catalogue. The amount allotted from the reserves is the amount of the profit invested in these pieces of equipment, net from the legal reserve (5%);
- for the year 2016, according to the provisions of Government’s Memorandum themes “Empowering the state representative in the General Meeting of Shareholders / Board of Directors, as the case may be, of the national companies and the public entities wholly or majority owned by the State, as well as autonomous municipal companies, in order to take the required measures for the distribution of a share of at least 90% of the profit made in 2016, as dividends/payments to the state budget”, at least 90% of the net profit must be distributed as dividends.

2.2. Amount of the gross dividend per share

The dividends to be distributed are in the amount provided in the proposal for the distribution

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of the net profit, i.e. the amount of lei **107,248,477**.

The number of shares corresponding to the subscribed share capital is **301,513,851** at this date. Thus, **the gross dividend per shares is proposed to lei 0.3557 per share**.

The tax on dividends is to be retained and paid to SNN according to the provisions of the Fiscal Code.

2.3.Date for the payment of the dividends

The payment terms of the dividends according to the applicable legal provisions are:

- According to the provisions of art. 67 par. 2 of the Law no. 31/1990 the dividends are distributed to the shareholders “on the term provided for by the general meeting of the shareholders or, as the case may be, as set by special laws but not later than six months from the date of the approval of the financial statements corresponding to closed financial year”;
- Art. 28 paragraph 4 of the Articles of incorporation of SNN provides that “the payment of the dividends corresponding to the shareholder is made by the trade company, according to the law”;
- Art. 238 par. 2 of the Law no. 297/2004 provides that “After the establishment of the dividends, the general meeting of shareholders shall also establish the time limit within which they shall be paid to the shareholders. Such time limit shall not exceed six (6) months from the date of the general meeting of shareholders establishing the dividends.”
- The provisions or art. 1 par. 3 of the G.O. no. 64/2001 establish that, by way of derogation from the Law no. 31/1990: the national companies must pay the dividends due to the shareholders within sixty days from the term provided by the law for the submission of the annual financial statements.

Hence, in conjunction with the terms incidental in the standards and the Articles of Incorporation of SNN, mentioned above, it results that the payment term of the dividends by SNN is sixty days from the term stipulated by the law for the submission of the annual financial statements; considering that this latter term is April 30, **the payment of the dividends will commence on June 28, 2017**.

2.4. Payment terms of the dividends

The dividends will be paid to the shareholders of SNN through Depozitarul Central SA and a payment agent specialized in providing such service, according to art. 146, par. 5[^]1 of the Law no. 297/2004 and art. 106[^]1, par.(2) of the Regulations no. 1/2006.

There will be no commissions levied to the shareholders for the payment of the dividends, regardless of the payment terms, as they will be borne by SNN.

The identification data of the payment agent selected, the detailed payment terms, the specific forms and necessary documents required from the shareholders for the payment will be notified before the date for the commencement of the payments communicated in press and respectively a current report sent to Bucharest Stock Exchange (Bursa de Valori FONDUL PROPRIETATEA S.A., alternative investment fund • Residing in Strada Buzestl nr. 78-80, 7th floor, sector 1, Bucharest, postal code 011017, Romania • Taxpayer number (CIF): 18253260, registered with the Trade Register under number J40/21901/2005 • Registered with the Personal Data Operators' Register under number 18668 • Share capital: lei 5,742,226,025.22 RON, Paid share capital: lei 5,534.852,985.72 • Ph.: +40 21 200 9600; Fax: +40 21 200 9631; Email: office@fondulproprietatea.ro, Internet: www.fondulproprietatea.ro

București) and the Financial Supervisory Authority (Autoritatea de Supraveghere Financiară). The information will be posted on the SNN web site www.nuclearelectrica.ro, section Relation with the investors.

2.5. Registration date

The registration date must be subsequent to the date of the General Meeting of Shareholders (April 24, 2017) by at least ten business days. Thus the proposed **registration date is June 9, 2017**.

2.6. The right to receive the dividends

Only the shareholders which are registered with the company Depozitarul Central S.A. at the registration date have the right to receive the dividend.

3. Proposals

In relation to the above presentation, we request as follows to the General Meeting of Shareholders:

- a) The approval of the proposal for the distribution of the net profit corresponding to the financial exercise 2016**
- b) The approval of the gross dividend per share of lei 0.3557 per share**
- c) The approval of the registration date: June 9, 2017**
- d) The approval of the date for the commencement of the payment of dividends: June 28, 2017**
- e) The approval of the payment terms according to this note.**

Legal representative

Johan MEYER

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Franklin Templeton Investments Management Ltd. United Kingdom Bucharest Branch, as Investment Director of FONDUL PROPRIETATEA S.A.