



NUCLEARELECTRICA

Answers to frequently asked questions concerning the payment of SN Nuclearelectrica S.A. dividends according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017

1. What do dividends distributed according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017 represent?

By GEO no. 29/2017, the possibility to distribute as dividends amounts from the accounting entry “other reserves” was created, starting with the approval of financial statements for 2016.

SNN convened the Ordinary General Meeting of SNN Shareholders of 10.12.2018 at the request no. 262423/06.11.2018 of the majority shareholder, the Ministry of Energy, registered with SNN under no. 13769/06.11.2018 on the preparation and presentation by the executive management, and respectively, the administrative management of the company of a Report substantiating the proposals for redistribution/distribution of dividends to shareholders, in order to convene a general meeting of shareholders with this topic. The request was based on the Memorandum issued by the Ministry of Public Finance on the subject “Measures to be taken by the public institutions involved for implementing the provisions of GEO no. 29/2017 on the distribution/redistribution of the amounts registered as “retained earnings” and “other reserves” by national companies and enterprises, and companies with full or majority state capital, as well as autonomous administrations” approved in the meeting of the Romanian Government of 31.10.2018. The amount initially proposed by the Board of Directors to be distributed as additional dividends was of RON 238,000,000.

Subsequently, on 19.11.2018, the Ministry of Energy submitted a request for completion of the agenda of the General Meeting of SNN Shareholders dated 10.12.2018, with 1 point, namely:

- Approval of the proposal on distribution of dividends according to the provisions of art. II and III of GEO no. 29/2017, approval of the total value of gross dividends in the amount of RON 485,437,300.11, of the gross dividend value per share of RON 1.61, of the dividend payment date - December 28th, 2018, and of the payment method to the company’s shareholders, in proportion to their participation in the share capital of the company. (point 3 of the agenda)

By Resolution of the Ordinary General Meeting of SNN Shareholders no. 13/10.12.2018, the distribution of dividends according to the provisions of art. II and III of GEO no. 29/2017 was approved, approval of the total value of gross dividends in the amount of RON 485,437,300.11, of the gross dividend value per share of RON 1.61, of the dividend payment date - December 28th, 2018, and of the payment method to the company’s shareholders, in proportion to their participation in the share capital of the company.

2. From what date on does SNN pay dividends to its shareholders?

Starting with **December 28th, 2018, the payment date**, SNN will pay dividends according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017, through Depozitarul Central S.A. (*Central Depository*) and BRD Groupe Société Générale (BRD), the selected payment agent.

3. When should the shares be owned so that a shareholder be entitled to the dividends distributed according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017 represent?

The payments of dividends will be made only to SNN shareholders registered in the Register of Shareholders held by the Depozitarul Central S.A. on **December 24th, 2018**, approved as the date of

registration by the Ordinary General Meeting of SNN Shareholders ("OGMS") of 10.12.2018.

4. What is the value of the dividend?

The gross dividend is **lei 1.61 per share**, and the related dividend tax will be withheld at source in the rates provided by the law.

5. Did SNN opt for the delayed payment date?

SNN did not opt for delayed payment date.

6. How can dividends be paid?

1. For individual and legal entity shareholders having an account open with a Participant (broker), registered as holding SNN shares on 24.12.2018, the dividends will be paid automatically by bank transfer through the Central Depository on behalf of SNN, at the date of payment 28.12.2018 on the Participant's account, without submitting additional documents.
2. For individual and legal entity shareholders having no account open with a Participant (the shares are registered with the Central Depository):
 - a. If you do not have an IBAN account registered with the Central Depository, dividends may be withdrawn directly from the BRD counters in Romania, based on the submission of the documents referred to in Annex 1, points 1.1. and 1.2. to the Communication on the payment of dividends
 - b. By bank transfer, the Central Depository providing all shareholders who are not represented by a Participant the possibility of collecting the due dividends by registering the IBAN code with the Central Depository, based on the documents referred to in Annex 1, point 2 of the Notice on the payment of dividends. In order to receive dividends through bank transfer, the registration of the IBAN account should be done at least 4 business days prior to the date of payment
 - c. Through bank transfer by submitting at the BRD counters in Romania the documents required in Annex 1, points 1.1. and 1.2. of the Communication on the payment of dividends, if you do not want to register the IBAN account with the Central Depository.

The payment of dividends according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017 starts on **December 28th, 2018, the payment date.**

7. Is there a possibility to receive dividends in the bank account opened with a bank different from BRD?

Yes, this is possible. In order to receive dividends in a bank account opened with another bank, in addition to the payment forms filled in and accompanied by the supporting documents mentioned therein, a bank statement certified by the bank where the transfer of the dividends' equivalent is requested or other evidence issued by the respective bank stating the account holder and IBAN account must be submitted. In case you choose to register the IBAN code directly with the Central Depository, please contact the Central Depository at phone number 021.408.58.74 or by e-mail dividende@depozitarulcentral.ro.

8. Can dividends be paid into a bank account opened with a bank outside Romania?

Yes, this is possible, but the shareholder should have an account in RON, because the payment of dividends is only done in RON. In order to collect the dividends, the supporting documents referred to under Annex 1 at point 2 should be submitted to the Central Depository at least 4 business days before the date of payment.

9. How much time do I have available to request the payment of dividends according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017 represent?

The payment of net dividends according to the provisions of art. II and art. III of the Government

Emergency Ordinance no. 29/2017 is subject to the general provisions on prescription, being subject to prescription within 3 (three) years from the date of commencement of payment (28.12.2018), term that expires on 28.12.2021.

10. How are net dividends calculated?

The total value of the net dividends due to any SNN shareholder is given by the number of shares held at the date of registration (24.12.2018), multiplied by the gross dividend per share value approved by the Ordinary General Meeting of SNN Shareholders (RON 1.61/share) of 10.12.2018, from which the value of the dividend tax is deducted, at the rates provided by the legislation in force (Tax Code and, as the case may be, the Double Taxation Conventions concluded between Romania and the state of residence of non-resident shareholders who submit valid certificates of tax residence).

11. When is the dividend tax calculated?

In compliance with the provisions of the Tax Code in force, dividend tax will be withheld at the source on the date of payment, as follows:

- **Resident individual shareholders:** the standard tax rate of 5% of the gross amount of the dividends due;
- **Non-resident individual shareholders:** the standard tax rate of 5% of the gross amount of the dividends due or the more favorable rate resulting from the Double Taxation Convention concluded between Romania and the state of residence of such shareholder, for shareholders who are non-resident individuals who submit up to 24.12.2018 a certificate of tax residence valid for the year when the payment of dividends is done, within the term of validity, in original or certified copy with apostille/with superlegalization, if the case may be, accompanied by an authorized translation (applicable for the certificates in other languages than Romanian) at the headquarters of SNN, from 65 Polona St., District 1, Bucharest, postal code 010494, in the attention of the Department of Communication and Relations with Investors;
The certificates of tax residence of shareholders submitted for the payment of dividends for the year 2017 (payment date 28.06.2018) and that have the same residence at the date of registration - 24.12.2018, remain valid also for the payment of dividends according to the provisions of art. II and art. III of the Government Emergency Ordinance no. 29/2017 at the payment date 28.12.2018, not being necessary to submit them again.
- **Resident legal entity shareholders:** the standard tax rate of 5% of the gross amount of the dividends due, with the exceptions provided by the Tax Code which provide for the non-taxation of dividend income for some resident legal entities
- **Non-resident legal entity shareholders:** the standard tax rate of 5% of the gross amount of the dividends due, with the exceptions provided by the Tax Code which provide for the non-taxation of dividend income for some resident legal entities or the more favorable rate resulting from the Double Taxation Convention concluded between Romania and the state of residence of such shareholder, for shareholders who are non-resident legal entities who submit up to 24.12.2018 a certificate of tax residence valid for the year when the payment of dividends is done, within the term of validity, in original or certified copy with apostille/with superlegalization, if the case may be, accompanied by an authorized translation (applicable for the certificates in other languages than Romanian) at the headquarters of SNN, from 65 Polona St., District 1, Bucharest, postal code 010494, in the attention of the Department of Communication and Relations with Investors;

Specific provisions regarding the application of a more favorable tax rate are included in the Tax Code in relation to the non-resident taxpayers of a Member State of the European Union.

In the event of submission of the certificate of tax residence, together with a request for payment through bank transfer of the net dividends distributed by SN Nuclearelectrica S.A., after the date of **24.12.2018**, but

not later than 31.12.2018, SNN shall withhold on the date of payment (28.12.2018) the dividend tax in force provided by the Romanian Tax Code, with any tax difference due to the shareholder being paid subsequently to the transmission and verification of the documentation, if following the receipt and the verification thereof it results that it would be entitled to a lower tax rate than the standard one laid down in the Romanian Tax Code.

12. Will SNN withhold at source the dividend tax?

Yes, the related dividend tax shall be withheld at source at the rates provided by the law, for all situations in which the dividend tax is due.

14. Who will be bearing the fees related to the payment of dividends?

The fee charged by the Depozitarul Central S.A., which also includes the bank charges applied by BRD for the payment of net dividends in LEI, is **borne by SNN. BRD will not charge the shareholders any bank charges for the payment of dividends in LEI**, both for the payments in cash and for the payments through bank transfer in the accounts opened both in Romania and abroad.

15. Can dividends be paid in shares instead of money?

No, dividends are only received as money. If you wish to purchase new shares, you have the opportunity of reinvesting the amount received as a dividend in SNN shares by purchasing them directly from the market.

16. For a non-resident investor, should the dividends be declared in the income statement submitted in the country of tax residence?

There is a possibility that non-resident investors are required to declare dividends in the income statements submitted in their country of tax residence. As a result, it is recommended that they request for specialist support in relation to the tax obligations in their country of residence for the dividends received from SN Nuclearelectrica SA

17. What is the procedure for non-resident shareholders?

For all those shareholders, individuals, legal entities or other entities, who, at the date of registration, 24.12.2018, hold shares highlighted in Section II of the SNN Register of Shareholders in the account opened with the Participant, **the related amounts shall be automatically paid by bank transfer** through the Central Depository in the name of SNN, at the date of payment, 28.12.2018, **in the account of the Participant**, without the submission of any further documents.

Non-resident shareholders who have an account opened with the Participants (Broker/Custodian Bank) and those who do not have an account opened with the Participants, respectively (i.e. those who chose the methods referred to under points 2 and 3) who wish to apply the more favorable provisions of the Double Taxation Convention concluded between Romania and their country of residence should send or submit either through the Participant if they have an account opened with the Participant or directly, in case they do not have an account opened with the Participant, at the SN Nuclearelectrica SA headquarters in 65 Polona St, District 1, Bucharest, postal code 010494, in the attention of the Department of Communication and Relations with Investors, until **24.12.2018, inclusive**, the certificate of tax residence for the year in which the payment of the dividends takes place, **within the term of validity, in original or certified copy** with apostille/with superlegalization, if the case may be, accompanied by an authorized translation, as well as contact details for any clarifications regarding the certificates of tax residence. If, following the verification of the certificate of tax residence and the provisions of the Double Taxation Convention, it results that the more favorable rate set out in the Double Taxation Convention may be applied, on the date of payment, 28.12.2018, the shareholders in question will receive the net dividends with the application of that rate. Otherwise, the standard rate in force provided by the Romanian Tax Code shall apply.

The certificates of tax residence of shareholders submitted for the payment of dividends for the year 2017 (payment date 28.06.2018) and that have the same residence at the date of registration - 24.12.2018, remain valid also for the payment of dividends according to the provisions of art. II and art. III of the Government Emergency Ordinance no. 29/2017 at the payment date 28.12.2018, not being necessary to submit them again.

In the event of submission of the certificate of tax residence, together with a request for payment through bank transfer of the net dividends distributed by SN Nuclearelectrica S.A., after the date of **24.12.2018**, but not later than **31.12.2018**, **SNN shall withhold on the date of payment (28.12.2018) the dividend tax in force provided by the Romanian Tax Code**, with any tax difference due to the shareholder being paid subsequently to the transmission and verification of the documentation, if following the receipt and the verification thereof it results that it would be entitled to a lower tax rate than the standard one laid down in the Romanian Tax Code.

In compliance with Law no. 207/2015 on the Fiscal Procedure Code, as well as the Order of the President of the National Agency for Fiscal Administration no. 3725/19.12.2017 for the approval of the tax registration forms of taxpayers and the types of tax liabilities that form the fiscal vector, the shareholders of SN Nuclearelectrica SA who are **individuals, as well as non-resident legal entities have the obligation to register in Romania for tax purposes**, by submitting with the competent tax authorities in Romania of the Tax Registration Statement 015 (for non-resident legal entities) and 030 (for non-resident individuals) in order to obtain the tax identification code.

Further information on the submission of these statements and the tax identification code obtained from the tax authorities in Romania may be found in the Communication on the payment of dividends according to the provisions of art. II and art. III of Government Emergency Ordinance no. 29/2017.

19. Can shareholders holding accounts with the Participants withdraw their dividends in cash/transfer from BRD counters?

No, all those shareholders holding accounts with the PARTICIPANTS, may **not** withdraw their dividends in cash/transfer from BRD counters.

For all those shareholders, individuals, legal entities or other entities, who, at the date of registration, 24.12.2018, hold shares highlighted in Section II of the SNN Register of Shareholders in the account opened with the Participant, the related amounts **shall be automatically paid by bank transfer** through the Central Depository in the name of SNN, at the date of payment, 28.12.2018, **in the account of the Participant**, without the submission of any further documents.

20. What does the General Meeting of Shareholders (GMS) represent?

The General Meeting of Shareholders (GMS) is the main corporate governance body of the company, which decides on the economic and business policy and activity of the company. General Meetings of Shareholders may be Ordinary or Extraordinary. GMS is convoked by the Board of Directors whenever the need arises, in compliance with the legal provisions and those in the articles of incorporation or as a result of the request of the shareholder representing, individually or jointly, at least 5% of the share capital, if the request contains dispositions that fall within the duties of the meeting. Only the shareholders registered in the Company's Register of Shareholders have the right to participate and vote in the general meeting at the reference date.

21. What does the reference date represent?

The reference date is the calendar date set by SNN's management under applicable regulations and set forth in the GMS convocation to identify the shareholders who will be participating in the GMS and will be voting within it. Only the shareholders registered in the Company's Register of Shareholders on the reference date have the right to participate and vote in that general meeting. The reference date is after the

date of publication of the GMS convocation.

The reference date for the GMoS convened for 10.12.2018 was 29.11.2018.

22. What does the registration date represent?

This is the calendar date set by the GMS and serves to identify the shareholders who will be benefiting from the dividends or other rights and which are affected by the effects of the GMS resolutions. The registration date is after the date when the general meeting reunites, with at least 10 business days.

The registration date set by the SNN GMoS dated 10.12.2018, which approved the distribution of dividends according to the provisions of art. II and art. III of the Government Emergency Ordinance no. 29/2017 is December 24th, 2018.

23. Can dividends be collected on behalf of another person?

For individuals who do not go to the BRD counters themselves, but give a mandate to another person in this respect, the payment of dividends shall be made to the proxy they empower, based on the following documents: special power of attorney authenticate by the notary, which includes the authorization to collect the dividends issued not more than 3 years prior to the date of payment, unless the power of attorney has a term of validity longer than 3 years and is valid at the date of payment + 1 photocopy certified for compliance with the original (the photocopy shall be retained) and the identity card of the proxy + 1 photocopy certified for compliance with the original (the photocopy shall be retained).

In compliance with the new legal provisions, payments will not be processed based on certificates of inheritance nor to those shareholders whose identification data from the documents submitted at the counter do not match those of the Paying Agent's records and received from the Central Depository. In the event that in the SNN Register of Shareholders, as of 24 December 2018, deceased persons are included, the dividends shall only be paid following the request by the heir(s) and the registration by the Central Depository of the direct transfer of ownership for the financial instruments as an effect of the succession, in compliance with the applicable Legal Regime, as well as after updating the data in the paying agent's records, following the request of the Central Depository. Should the shareholder not be found in the shareholders database held by the BRD paying agent, the former shall be asked to contact the Central Depository in order to remedy this problem.

24. When can payment forms be submitted?

For individual and legal entity shareholders who wish the payment to be done through bank transfer and who do not have an IBAN account registered with the Central Depository, the IBAN code collection form (available on the Central Depository's website www.depozitarulcentral.ro) may be submitted with the Central Depository at least 4 business days before the date of payment, accompanied by the following documents:

A. For individuals:

- ❖ copy of the valid identity document in which the personal identification number is clearly legible - certified by the holder as a "certified true copy"; as well as information regarding the telephone/fax number and the e-mail address
- ❖ statement of account or a document issued by the bank (signed and stamped) confirming the existence of the account on the name of the shareholder, specifying the IBAN code, in original;
- ❖ copy of the documents certifying the capacity of the signatory of the application as a legal or conventional representative, if applicable - certified by the holder as a "certified true copy";
- ❖ Shareholders who are non-resident individuals wishing to apply the more favorable provisions of the Double Taxation Convention concluded between Romania and their country of residence should submit the certificate of tax residence for the year in which the dividends

are paid, within the term of validity, in original or certified copy with apostille/with superlegalization, if the case may be, accompanied by an authorized translation, as well as contact details for any clarifications regarding the certificates of tax residence.

B. Legal entity shareholders:

- ❖ copy of the certificate of incorporation - certified by the holder as a "certified true copy";
- ❖ copy of the document certifying the capacity of legal representative of the company (confirmation of company details issued by the trade register/equivalent entity - for the entities of foreign nationality) - certified by the holder as a "certified true copy";
- ❖ copy of the documents certifying the capacity of conventional representative of the signatory of the application, if applicable - certified by the holder as a "certified true copy";
- ❖ statement of account or a document issued by the bank (signed and stamped) confirming the existence of the account on the name of the holder - legal entity, specifying the IBAN code, in original;
- ❖ Shareholders who are non-resident legal entities/other entities wishing to apply the more favorable provisions of the Double Taxation Convention concluded between Romania and their country of residence should submit the certificate of tax residence for the year in which the dividends are paid, within the term of validity, in original or certified copy with apostille/with superlegalization, if the case may be, accompanied by an authorized translation, as well as contact details for any clarifications regarding the certificates of tax residence.

The registration of the IBAN by the Central Depository will be charged according to the schedule of rates charged to the holders of financial instruments and shall be borne by each individual shareholder. For further details on this payment option, SNN shareholders are kindly asked to contact the Central Depository at tel. +40 21.408.58.74 or e-mail dividende@depozitarulcentral.ro

Furthermore, the payment through bank transfer may be requested directly at any BRD unit on the territory of Romanian, by individuals and legal entities who do not have an account opened with a Participant and who do not wish to register the IBAN code with the Central Depository by submitting to BRD the documents referred to in Annex 1, points 1.1. and 1.2 of the Communication on the payment of dividends.

25. Within what time frame from the submission of the request of payment will the payment of dividends be done?

BRD shall make the payment of the net dividends as of 28.12.2018 for individual/legal entity shareholders who have an account opened with the PARTICIPANT (broker/Custodian bank) and who are not represented by the PARTICIPANT (who have submitted with the Central Depository the IBAN code collection form, within at least 4 business days prior to the date of payment). Net dividends shall be collected on the same day by individual/legal entity shareholders who have accounts opened with BRD and within two banking days by shareholders with accounts opened with other banks.

If the event that the individual/legal entity shareholders request from BRD to collect the net dividends in a bank account opened at any of the banks located in Romania or abroad, the payment of the net dividend will be made within maximum two banking days from the date of receipt by BRD of the payment request, accompanied by complete and accurate supporting documents. The date for the crediting of the shareholders' bank accounts depends on the interbank circuit and the corresponding bank chain.

26. What should I do if I do not receive the money by the terms referred to under pt. 25?

If you have an account opened with a Participant, the dividends should be transferred to the declared IBAN account, based on a request submitted to the Participant or automatically, subject to the conditions specified in the agreement concluded with the Participant.

If the shares held are registered directly with the Central Depository and you have an IBAN account that is also registered, the dividends should be transferred directly to your account. In the event the money are

not received, you may contact the Central Depository at tel. +40 21.408.58.74 or e-mail dividende@depozitarulcentral.ro.

If you wish to withdraw the dividends directly from BRD in cash or through bank transfer and the money is not available, please contact BRD at the e-mail address titles@brd.ro or the following telephone numbers: 021.200.83.87 or 021.200.83.72.

27. What should I do if the amount received does not match the number of shares I hold?

If you have received an amount that is different to the one expected based on the number of shares held, you should contact Depozitarul Central S.A. to request a statement of account at the registration date of 24 December 2018. This statement of account will confirm the number of shares held, so that you may calculate the amount of the gross and the net dividends, respectively, that you are entitled to. If the amount still does not match, you may contact BRD at titles@brd.ro or at the following telephone numbers: 021.200.83.87 or 021.200.83.72 or SNN at the e-mail address investor.relations@nuclearelectrica.ro or at the telephone number: 021.203.13.14.

Useful contact addresses:

Nuclearelectrica S.A. National Company
Department for Communication and Relations with Investors
Tel: 021.203.13.14
E-mail: investor.relations@nuclearelectrica.ro

Central Depository
IBAN code registration
Tel: 021.408.58.74
E-mail: dividende@depozitarulcentral.ro

Other information from the Central Depository:
Tel: 021.408.58.00 or 021.408.58.26
E-mail: dividende@depozitarulcentral.ro

BRD Groupe Société Générale
Tel: 021.200.83.72 or 021. 200.83.87
E-mail: titluri@brd.ro