



Approved
Board of Directors,
President
Iulian-Robert Tudorache

**NOTE on the approval of the proposals to amend the Articles of Incorporation of
Societatea Nationala Nuclearelectrica S.A.**

1. General aspects /competence

In compliance with the relevant legal provisions in force, the Extraordinary General Meeting of Shareholders has the competence to approve the proposals to amend the Articles of Incorporation of Societatea Nationala Nuclearelectrica S.A. (hereinafter referred to as "SNN").

The applicable legal basis is represented by:

- Law on companies no. 31/1990, republished, as subsequently amended and supplemented ("Law no. 31/1990");
- Emergency Ordinance no. 109/2011 regarding corporate governance of public enterprises, as subsequently amended and supplemented ("O.U.G. no. 109/2011").

Art. 13 par. 3 let. o) from the Articles of Incorporation of SNN corroborated with the provisions of art. 113, let. m) of Law no. 31/1990 set out that the Extraordinary General Meeting of Shareholders has the competence to approve the proposals to amend the Articles of Incorporation.

2. Presentation

The Articles of Incorporation is a complex legal act, which is the result of the corporate will and is undertaken by the shareholders, being, from this perspective, the expression of a, accumulation of individual wills. The amendment of the Articles of Incorporation is the result of the voting mechanism within the company's extraordinary general meeting of the shareholders, the effect of the social will, which is formed, by vote, within the general meeting.

The operation of a company is subject to continuous adaptation of the corporate structure to the fluctuating conditions of the economic environment in which the company is performing its business, and to the legal conditions regulating its activity. The company's reaction to the demands of adaptation is materialized by changing certain elements of the Articles of Incorporation, which no longer correspond either to the purpose of the company or to the degree of development of its business, or just to the will of the shareholders. In this context, the changes that may be brought to the Articles of Incorporation are either expressly regulated by the law, or may be derived from its provisions, aiming essential elements of the Articles of Incorporation, provided by art. 8 of Law no. 31/1990.

In the case of joint-stock companies, shareholders should observe the principle of separation of powers within the company, established by law, so that the duties of the three categories of corporate bodies will not coincide, with the Articles of Incorporation having to include distinct provisions so as to comply with the rules of their separation.

The changes/additions proposed to the Articles of Incorporation mainly concern the following:

1. Removing and clarifying redundant duties regarding Ordinary and Extraordinary General Meeting of Shareholders;
2. Supplementing and rephrasing certain articles or removing unclear provisions on the duties of the Board of Directors;
3. Removing the provisions referring to the duties of the Chief Executive Officer, as these are being established under the law within the mandate contract.
4. Clarifying certain issues of the competence limits of the Chief Executive Officer, the Board of Directors and the General Meeting of Shareholders in relation to the contracts and operations within the Company.

3. Proposals

In view of the foregoing, we are requesting the Extraordinary General Meeting of Shareholders the following: Approval of the proposals to amend the Articles of Incorporation of SNN submitted under the Annex to this Note. Chief Executive Officer Cosmin Ghita

**Chief Executive Officer,
Cosmin Ghita**

**Deputy Chief Executive Officer,
Dan Laurentiu Tudor**

**Manager of the Legal and Corporate Affair Division
Laura Constantin**

Manager of the Document Legality Approval Department

Vlad Chiripus

**AMENDMENT AND ADDITIONS TO THE ARTICLES OF INCORPORATION OF
SNN**

1. The name of the **ARTICLES OF INCORPORATION** of S.N.Nuclearelectrica S.A is hereby amended, as follows: "ARTICLES OF INCORPORATION of Societatea Nationala "Nuclearelectrica" S.A. with subsequent amendments and additions registered until **April 10th, 2019**"

2. The following **Art.** is amended **13 (2)** "*The main duties of the Ordinary General Meeting of Shareholders are*" as follows:

- par. (2) is amended by removing let. j) and let. l) and shall have the following content:

Art. 13 (2) *The main duties of the Ordinary General Meeting of Shareholders are:*

- a) *discusses, approves and changes the annual financial statements based on the reports presented by the Board of Directors and financial auditor;*
- b) *establishes the distribution of the net profit and the value of the dividend;*
- c) *elects and revokes members of the Board of Directors;*
- d) *appoints and dismisses the financial auditor and established the minimal duration of the financial audit contract;*
- e) *establishes the general limits of the Chief Executive Officer and Managers remuneration;*
- f) *establishes the remuneration of the members of the Board of Directors, as well as the terms and conditions of the mandate contract concluded with the members of the Board of Directors;*
- g) *decides upon the administration of the members of the Board of Directors;*
- h) *approves the strategy and the development policies of the Company;*
- i) *establishes the annual revenues and expenditures budget for the next financial year;*
- j) *approves the reports of the Board of Directors regarding its activity;*
- k) *analyzes and solves other issues submitted by the Board of Directors.*

3. The following **Art.** is amended **20 (3)** "*The Board of Directors has also the following responsibilities:*" as follows:

- par. (3) is amended by removing let. d);

- par. (3) let. g) is amended and shall have the following content:

"g) verifies and approves the financial statements of the Company;"

- par. (3) let. h) is amended and shall have the following content:

"h) approves the Report of the Chief Executive Officer and the reports of the Managers;"

- par. (3) let. n) is amended and shall have the following content:

"n) approves the organizational structure of the Company and the number of positions, as well as the Company's Organization and Operation Regulation;"

- thus, art. (3) is re-numbered and is amended as follows:

"(3) The Board of Directors has also the following responsibilities:

- *a) exercises control on the way the Chief Executive Officer and the other Managers govern the Company;*
- *b) approves the revenues and expenses budget;*
- *c) approves the management plan prepared by the Chief Executive Officer and/or other Directors;*
- *d) presents to the General Meeting of Shareholders an annual activity report;*
- *e) represents the company in relationship with the Chief Executive Officer and the appointed Managers;*
- *f) verifies and approves the financial statements of the Company;*
- *g) approves the Report of the Chief Executive Officer and the reports of the Managers;*
- *h) proposes to the General Meeting of Shareholders the appointment and the revocation of the financial auditor, as well as the minimum duration of the audit contract.*
- *i) approves the mandate contracts of the Chief Executive Officer and of the appointed Managers thus establishing the organization of the activity of the managers;*
- *j) approves the empowered representatives to negotiate the collection work agreement with the unions and/or with the representatives of the employees as well as their negotiation mandate;*
- *k) approves the Company's collective work agreement;*
- *l) approves the Organization and Operation Regulations of the Board of Directors;*
- *m) approves the organizational structure of the Company and the number of positions, as well as the Company's Organization and Operation Regulation;*
- *n) approves the energy transactions strategy of the Company;*
- *o) approves the conclusion of any contract/document which raises legal obligations for the Company (acts of acquisition, sell, exchange and pledge as guarantee non-current assets of the Company), the value of which does not exceed, separately and cumulated, during one financial year, 20% of the total non-current assets of the Company less receivables, in compliance with the competence limits provided in the Annexes to these Articles of Incorporation;*
- *p) approves the renting of tangible assets, for a period greater than a year, with an individual and cumulated value for the same contractor or entity involved with the company, which does not exceed 20% of the total value of non-current assets, less receivables at the date of the legal document, as well as the associations for periods greater than 1 year, which do not exceed the same value;*
- *q) approves the mandate of Nuclearelectrica's representatives in the General Meeting of Shareholders of S.C. Energonuclear S.A. for the decisions which fall under the competence of S.C. Energonuclear S.A. with the exception of those for which a resolution of the Company's General Meeting of Shareholders is necessary, in compliance with the provisions of these Articles of Incorporation."*

4. Art. 21 "Chief Executive Officer and Managers" is amended as follows:

- par. (1) is amended and shall have the following content:

"Art. 21 (1) The Board of Directors delegates the management of the Company to one or more Directors, naming one of them as Chief Executive Officer. The Chief Executive Officer may be appointed from among the directors, becoming thus an executive director or from outside the

*Board of Directors. Within the Board of Directors, only one director may be an executive director. Within the meaning of these Articles of Incorporation, the term "Manager" means the person who has been delegated management duties regarding the company by means of a resolution of the Board of Directors and who concludes a mandate contract with the Company, in compliance with the **applicable legal provisions.**"*

- par. (5) is removed;
- par. (6) is re-numbered and becomes par. (5);
- par. (7) is re-numbered and becomes par. (6);
- par. (8) is re-numbered and becomes par. (7);
- par. (9) is re-numbered and becomes par. (8);

5. The Annex to the ARTICLES OF INCORPORATION of S.N.Nuclearelectrica S.A. is hereby amended and shall have the following content:

“Annex

Competence limits of the Chief Executive Officer, the Board of Directors and the General Meeting of Shareholders in relation to the contracts and operations within the Company:

	Contracts, loans and operations		Approval competence		
	Type of contract/operation	Value of contract/operation	Managers (*)	Board of Directors	General Meeting of Shareholders
1	Initiating the procurement procedure for products, services and works.	Less than Euro 5,000,000	Approves	Is informed	
		Over or equal to Euro 5,000,000	Endorses	Approves	
2	Investment decisions	Less than Euro 3,000,000	Approves	Is informed	
		Over or equal to Euro 3,000,000 and less than Euro 50,000,000	Endorses	Approves	Is informed
		Over or equal to Euro 50,000,000. Euro	Endorses	Endorses	Approves
3	Conventions on staging receivables	Less than Euro 3,000,000	Approves	Is informed	
		Over or equal to Euro 3,000,000	Endorses	Approves	
4	Contracting loans, regardless their term	Less than Euro 50,000,000	Endorses	Approves	Is informed
		Over or equal to Euro 50,000,000	Endorses	Endorses	Approves
5	Guarantees for loans	Less than Euro 50,000,000	Endorses	Approves	Is informed
		Over or equal to Euro 50,000,000	Endorses	Endorses	Approves

() the term "Manager" means the person who has been delegated management duties regarding the company by means of a resolution of the Board of Directors and who concludes a mandate contract with the Company, in compliance with the applicable legal provisions.*

CHAIRMAN OF THE BOARD OF DIRECTORS

IULIAN-ROBERT TUDORACHE