



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"). 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 to comply with the rules of their separation.

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

- Removing the provisions referring to the duties of the Chief Executive Officer, as these are being established by the Board of Directors under the law within the mandate contract.
- The clarification of aspects regarding the competence limits provided in the annex to the articles of incorporation regarding the contracts and operations on Company level. Thus, the provisions regarding the conclusion of the purchase and energy transaction contracts with involved parties as, according to the provisions of art. 52 of GEO 109/2011, they are approved by the Board of Directors in the specified situations and, consequently, we believe they can be eliminated from the annex and the legal provisions are directly applicable. At the same time, the operation “approval of the conclusion of the procurement contract following the implemented procedure” was eliminated, as we believe it is sufficient that the initiation of public procurement procedures in certain value levels is decided either by the Board of Directors or by the Managers, and following the implementation of the procedures, including those regarding which the Board of Directors approved the initiation, the contracts will be concluded on the competence level of the Managers, as the conditions set by the Board when the procedure initiation was approved are not modified during its implementation. At the same time, for clarity and application easiness, we amended the operation under section 4 from the Annex namely instead of “commitment / legal act involving important obligations from the company regarding investment projects” we propose the formulation of the operation “investment decisions”. Thus, the proposed formulation is clearer, namely, depending on certain value levels, the shareholders, the Board or the managers take investment decisions.

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**

**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**

AMENDMENTS 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: “The ARTICLES OF INCORPORATION of Societatea Națională "Nuclearelectrica" S.A. with the amendments and additions registered until **20.05.2019**”

2. par. (5) of **art. 21 “General Manager and Managers”** is eliminated.

- Par. (6) of art. 21 shall be renumbered and shall become par. (5)
- Par. (7) of art. 21 shall be renumbered and shall become par. (6)
- Par. (8) of art. 21 shall be renumbered and shall become par. (7);
- Par. (9) of art. 21 shall be renumbered and shall become par. (8).

3. 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	Less than	Endorses	Approves	Is informed

	loans	Euro 50,000,000			
		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