



NUCLEARELECTRICA

**ARTICLES OF INCORPORATION** of Societatea Nationala “Nuclearelectrica” S.A., as amended and supplemented until 15 February 2023

**Chapter 1**  
**Name, legal status, office, term**

***Name of the Company***

**Art. 1** (1) The name of the Company is Societatea Nationala “Nuclearelectrica” S.A. (hereinafter referred to as “Nuclearelectrica” or the “Company”).

(2) All invoices, offers, orders, tariffs, prospectuses and any other documents used for trade purposes and issued by Societatea Nationala Nuclearelectrica S.A. shall indicate the name, legal status, registered office, Single Code of Registration, registration number with the Trade Register Office, as well as the social capital, including the paid-up share capital, as stemming from the latest approved financial statements.

***Legal status of the Company***

**Art. 2** (1) Societatea Nationala “Nuclearelectrica” - S.A. is a Romanian legal entity, having the legal form of a joint-stock company.

(2) It shall pursue its business in accordance with the laws of Romania and these Articles of Incorporation.

***Registered office of the Company***

**Art. 3** (1) Societatea Nationala "Nuclearelectrica" S.A. has its registered office is *Bucharest, Sector 1, Bd. Iancu de Hunedoara nr. 48, ground floor and 4th, 5th and 13th floors.*

(2) Societatea Nationala "Nuclearelectrica" S.A. has two branches, as follows: “Cernavodă NPP Branch”, with the registered office in County of Constanța, Town of Cernavodă, str. Medgidiei nr. 1, and “Pitești NFP Branch”, with the registered office in County of Argeș, Town of Mioveni township, str. Campului nr. 1.

(3) The Company may establish other types of unincorporated subunits (other branches, agencies, representation offices, business units, territorial offices, etc.) or subsidiaries, in the same locality and/or elsewhere, in the country and/or abroad, in observance of the law and subject to approval by the Extraordinary General Meeting of Shareholders.

***Term of the Company***

**Art. 4** The term of the Company is *indefinite*, starting from the Company’s incorporation date with the Trade Register Office.



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## **Chapter 2 Purpose and Scope of Business**

### ***Purpose and Scope of Business***

Art. 5 (1) Nuclearelectrica S.A. pursues the purpose of generating and selling electricity, by involving in trade in observance of the applicable effective legislation, and within its scope of business, as approved hereunder.

(2) Main field of business: CAEN code 351 - Electric power generation, transmission and distribution

(3) Core business of the Company: CAEN code 3511 - Production of electricity

(4) Secondly, the Company further pursues the following businesses:

CAEN code - 0162 Support activities for animal production;

CAEN code - 0210 Silviculture and other forestry activities;

CAEN code - 0240 Support services to forestry;

CAEN code - 0710 Mining of iron ores;

CAEN code - 0721 Mining of uranium and thorium ores;

CAEN code - 0729 Mining of other non-ferrous metal ores;

CAEN code - 0811 Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate;

CAEN code 0812 - Operation of gravel and sand pits; mining of clays and kaolin;

CAEN code - 0891 Mining of chemical and fertiliser minerals;

CAEN code - 0899 Mining and quarrying n.e.c.;

CAEN code - 0990 Support activities for other mining and quarrying;

CAEN code - 1071 Manufacture of bread; manufacture of fresh pastry goods;

CAEN code - 1072 Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes;

CAEN code - 1085 Manufacture of prepared meals and dishes;

CAEN code - 1089 Manufacture of other food products n.e.c.;

CAEN code - 1610 Sawmilling and planing of wood;

CAEN code - 1622 Manufacture of assembled parquet floors;

CAEN code - 1623 Manufacture of other builders' carpentry and joinery;

CAEN code - 1624 Manufacture of wooden containers;

CAEN code - 1629 Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials;

CAEN code - 1723 Manufacture of paper stationery;

CAEN code - 1812 Other printing;

CAEN code - 1813 Pre-press and pre-media services;

CAEN code - 1814 Binding and related services;

CAEN code - 1820 Reproduction of recorded media;

CAEN code - 2011 Manufacture of industrial gases;

CAEN code - 2013 Manufacture of other inorganic basic chemicals;

CAEN code - 2120 Manufacture of pharmaceutical preparations;

CAEN code - 2369 Manufacture of other articles of concrete, plaster and cement;

CAEN code - 2370 Cutting, shaping and finishing of stone;



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CAEN code - 2391 Production of abrasive products;  
CAEN code - 2399 Manufacture of other non-metallic mineral products n.e.c.;  
CAEN code - 2433 Cold forming or folding;  
CAEN code - 2446 - Processing of nuclear fuel;  
CAEN code - 2511 Manufacture of metal structures and parts of structures;  
CAEN code - 2512 Manufacture of doors and windows of metal;  
CAEN code - 2550 Forging, pressing, stamping and roll-forming of metal;  
CAEN code - 2561 Treatment and coating of metals;  
CAEN code - 2562 Machining;  
CAEN code - 2571 Manufacture of cutlery;  
CAEN code - 2592 Manufacture of light metal packaging;  
CAEN code - 2593 Manufacture of wire products, chain and springs;  
CAEN code - 2594 Manufacture of fasteners and screw machine products;  
CAEN code - 2599 Manufacture of other fabricated metal products n.e.c.;  
CAEN code - 2812 Manufacture of fluid power equipment;  
CAEN code - 2813 Manufacture of other pumps and compressors;  
CAEN code - 2815 Manufacture of bearings, gears, gearing and driving elements;  
CAEN code - 2822 Manufacture of lifting and handling equipment;  
CAEN code - 2892 Manufacture of machinery for mining, quarrying and construction;  
CAEN code - 3299 Other manufacturing n.e.c.;  
CAEN code - 3311 Repair of fabricated metal products;  
CAEN code - 3312 Repair of machinery;  
CAEN code - 3319 Repair of other equipment;  
CAEN code - 3320 Installation of industrial machinery and equipment;  
CAEN code - 3513 Distribution and trade of electricity;  
CAEN code - 3514 Trade of electricity;  
CAEN code - 3530 Steam and air conditioning supply;  
CAEN code - 3600 Water collection, treatment and supply;  
CAEN code - 3700 Sewerage;  
CAEN code - 3811 Collection of non-hazardous waste;  
CAEN code - 3812 Collection of hazardous waste;  
CAEN code - 3821 Treatment and disposal of non-hazardous waste;  
CAEN code - 3822 Treatment and disposal of hazardous waste;  
CAEN code - 3831 Dismantling of wrecks;  
CAEN code - 3832 Recovery of sorted materials;  
CAEN code - 3900 Remediation activities and other waste management services;  
CAEN code - 4110 Development of building projects;  
CAEN code - 4120 Construction of residential and non-residential buildings;  
CAEN code - 4211 Construction of roads and motorways  
CAEN code - 4212 Construction of railways and underground railways;  
CAEN code - 4213 Construction of bridges and tunnels;  
CAEN code - 4221 Construction of utility projects for fluids;  
CAEN code - 4291 Construction of water projects;  
CAEN code - 4299 Construction of other civil engineering projects n.e.c.;



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CAEN code - 4311 Demolition;  
CAEN code - 4312 Site preparation;  
CAEN code - 4313 Test drilling and boring;  
CAEN code - 4321 Electrical installation;  
CAEN code - 4322 Plumbing, heat and air-conditioning installation;  
CAEN code - 4329 Other construction installation;  
CAEN code - 4331 Plastering;  
CAEN code - 4332 Joinery installation;  
CAEN code - 4333 Floor and wall covering;  
CAEN code - 4334 Painting and glazing;  
CAEN code - 4339 Other building completion and finishing;  
CAEN code - 4391 Roofing activities;  
CAEN code - 4399 Other specialised construction activities n.e.c.;  
CAEN code - 4511 Sale of cars and light motor vehicles;  
CAEN code - 4519 Sale of other motor vehicles;  
CAEN code - 4520 Maintenance and repair of motor vehicles;  
CAEN code - 4662 Wholesale of machine tools;  
CAEN code - 4671 Wholesale of solid, liquid and gaseous fuels and related products;  
CAEN code - 4676 Wholesale of other intermediate products;  
CAEN code - 4677 Wholesale of waste and scrap;  
CAEN code - 4690 Non-specialised wholesale trade;  
CAEN code - 4721 Retail sale of fruit and vegetables in specialised stores;  
CAEN code - 4725 Retail sale of beverages in specialised stores;  
CAEN code - 4729 Other retail sale of food in specialised stores;  
CAEN code - 4920 Freight rail transport;  
CAEN code - 4931 Urban and suburban passenger land transport;  
CAEN code - 4939 Other passenger land transport n.e.c.;  
CAEN code - 4941 - Freight transport by road;  
CAEN code - 4942 Removal services;  
CAEN code - 5030 Inland passenger water transport;  
CAEN code - 5040 Inland freight water transport;  
CAEN code - 5210 Warehousing and storage;  
CAEN code - 5222 Service activities incidental to water transportation;  
CAEN code - 5224 Cargo handling;  
CAEN code - 5320 Other postal and courier activities;  
CAEN code - 5510 Hotels and similar accommodation;  
CAEN code - 5520 Holiday and other short-stay accommodation;  
CAEN code - 5530 Camping grounds, recreational vehicle parks and trailer parks;  
CAEN code - 5590 Other accommodation;  
CAEN code - 5610 Restaurants and mobile food service activities;  
CAEN code - 5621 Event catering and other food service activities;  
CAEN code - 5629 Other food service activities;  
CAEN code - 5811 Book publishing;  
CAEN code - 5812 Publishing of directories and mailing lists;



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CAEN code - 5813 Publishing of newspapers;  
CAEN code - 5814 Publishing of journals and periodicals;  
CAEN code - 5819 Other publishing activities;  
CAEN code - 5821 Publishing of computer games;  
CAEN code - 5829 Other software publishing;  
CAEN code - 5920 Sound recording and music publishing activities;  
CAEN code - 6010 Radio broadcasting;  
CAEN code - 6020 Television programming and broadcasting activities;  
CAEN code - 6110 Wired telecommunications activities;  
CAEN code - 6120 Wireless telecommunications activities;  
CAEN code - 6130 Satellite telecommunications activities;  
CAEN code - 6190 Other telecommunications activities;  
CAEN code - 6201 Computer programming activities;  
CAEN code - 6202 Computer consultancy activities;  
CAEN code - 6203 Computer facilities management activities;  
CAEN code - 6209 Other information technology and computer service activities;  
CAEN code 6311 – Data processing, hosting and related activities;  
CAEN code - 6399 Other information service activities n.e.c.;  
CAEN code - 6420 Activities of holding companies;  
CAEN code - 6810 Buying and selling of own real estate;  
CAEN code - 6820 Rental and operating of own or leased real estate;  
CAEN code - 6832 Management of real estate on a fee or contract basis  
CAEN code - 7010 Activities of head offices;  
CAEN code - 7021 Public relations and communication activities;  
CAEN code - 7022 Business and other management consultancy activities;  
CAEN code - 7111 Architectural activities;  
CAEN code - 7112 Engineering activities and related technical consultancy;  
CAEN code - 7120 Technical testing and analysis;  
CAEN code - 7211 Research and experimental development on biotechnology;  
CAEN code - 7219 Other research and experimental development on natural sciences and engineering;  
CAEN code - 7220 Research and experimental development on social sciences and humanities;  
CAEN code - 7311 Advertising agencies;  
CAEN code - 7312 Media representation;  
CAEN code - 7320 Market research and public opinion polling;  
CAEN code - 7410 Specialised design activities;  
CAEN code - 7420 Photographic activities;  
CAEN code - 7430 Translation and interpretation activities;  
CAEN code - 7490 Other professional, scientific and technical activities;  
CAEN code - 7711 Rental and leasing of cars and light motor vehicles;  
CAEN code - 7712 Rental and leasing of trucks  
CAEN code - 7734 Rental and leasing of water transport equipment;  
CAEN code - 7739 Rental and leasing of other machinery, equipment and tangible goods n.e.c.;



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CAEN code - 7740 Leasing of intellectual property and similar products, except copyrighted works;  
CAEN code - 7810 Activities of employment placement agencies;  
CAEN code - 7820 Temporary employment agency activities;  
CAEN code - 7830 Other human resources provision;  
CAEN code - 7990 Other reservation service and related activities;  
CAEN code - 8020 Security systems service activities;  
CAEN code - 8110 Combined facilities support activities;  
CAEN code - 8121 General cleaning of buildings;  
CAEN code - 8122 Other building and industrial cleaning activities  
CAEN code - 8129 Other cleaning activities;  
CAEN code - 8211 Combined office administrative service activities;  
CAEN code - 8219 Photocopying, document preparation and other specialised office support activities;  
CAEN code - 8230 Organisation of conventions and trade shows;  
CAEN code - 8291 Activities of collection agencies and credit bureaus;  
CAEN code - 8292 Packaging activities;  
CAEN code - 8299 Other business support service activities n.e.c.;  
CAEN code - 8425 Fire service activities;  
CAEN code - 8532 Technical and vocational secondary education;  
CAEN code - 8551 Sports and recreation education;  
CAEN code - 8552 Cultural education;  
CAEN code - 8559 Other education n.e.c.;  
CAEN code - 8560 Educational support activities;  
CAEN code - 8690 Other human health activities;  
CAEN code - 9312 Activities of sports clubs;  
CAEN code - 9319 Other sports activities;  
CAEN code - 9329 Other amusement and recreation activities;  
CAEN code - 9411 Activities of business and employers membership organisations;  
CAEN code - 9412 Activities of professional membership organisations;  
CAEN code - 9511 Repair of computers and peripheral equipment;  
CAEN code - 9601 Washing and (dry-)cleaning of textile and fur products

### ***Amendment of the Scope of Business***

**Art. 6** The scope of business may only be amended by resolution of the Extraordinary General Meeting of Shareholders, under the terms, and in observance, of the legislation in force.



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### Chapter 3 Share capital, shares, bonds

#### Share capital

**Art. 7** (1) The share capital of the commercial company is **RON 3,016,438,940**, fully subscribed and paid up by the Company's shareholders. The share capital is divided into **301,643,894** registered shares, issued in dematerialised form, with a face value of RON 10.00 each.

(2) The share capital is held by the following shareholders, as follows:

a) The Romanian State, through the Ministry of Energy, as line ministry, holds a total of **248,850,476** shares, with a total value of RON **2,488,504,760**, accounting for **82.4981%** of the social capital of the Company;

b) Other shareholders, either Romanian or foreign natural persons and legal entities, hold a total number of **52,793,418** shares, with a total value of RON **527,934,180**, accounting for **17.5019%** of the social capital of the Company.

(3) The identification data of each shareholder, their respective contributions to the share capital, the number of shares each is entitled to, and their respective share of the total share capital are entered into the Shareholders' Register kept in a computer system by the Central Depository.

(4) The rights and obligations attached to the share capital of Nuclearelectrica, for the part of the share capital held by the Romanian State, are exercised and carried out, for and on behalf of the Romanian State, by the line ministry, under the authority of which the Company is placed.

#### *Share Capital Decrease of Increase*

**Art. 8** (1) The share capital may be decreased or increased under a resolution of the Extraordinary General Meeting of Shareholders, under the terms of, and in compliance with, the procedure set out by the law.

(2) The share capital may be increased by:

- a) new cash and/or in-kind contributions, under the terms of the law;
- b) incorporating the reserves, save for the statutory reserves and the positive differences from revaluation of the assets and statutory, as well as the issue benefits or premiums;
- c) setting off liquid and due claims against Nuclearelectrica with its shares;
- d) other sources determined by the General Meeting of Shareholders, according to the law.

(3) The shares issued to increase the social capital shall be first offered for underwriting to the existing shareholders, pro-rata with the number of shares they hold, thus granting them a pre-emptive right to underwriting the newly issued shares. This pre-emptive right shall be exercised in observance of the provisions of the applicable laws.

(4) The share capital may be reduced by:

- a) reducing the number of shares;
- b) reducing of the face value of the shares;
- c) acquiring the shares, and then cancelling them;
- d) any other methods regulated under the law.



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- (5) Where the Board of Directors finds that, due to losses disclosed in the approved annual financial statements, the net assets of the Company, determined that the difference between its total assets and its total liabilities, have dropped below half of the subscribed share capital, it shall call the Extraordinary General Meeting of Shareholders to meet forthwith and resolve on whether the Company should be wound up or not. Should it not resolve on its winding up, the Company is required, before the end of the financial year following that where the losses concerned were incurred, to proceed to decreasing its share capital by an amount equal at least to that of the losses that could not be covered from reserves, where the Company's net assets could not be reinstated to at least half of its share capital during this time period.
- (6) The share capital may only be decreased once two months have lapsed since publication of the relevant resolution of the Extraordinary General Meeting of Shareholders in the Official Gazette of Romania, Part IV, according to the legal provisions.”

### *Shares*

**Art. 9** (1) The Company's shares are registered, of equal value and issued in dematerialized form, by registration in the account, and entitle their respective holders to equal rights.

(2) The face value of a share is RON 10.

(3) Shares are indivisible with respect to Nuclearelectrica, which recognises only one owner for each share. Where a share becomes held by more persons, Nuclearelectrica and/or the Central Depository are under no obligation to enter the transfer thereof as long as the persons concerned fail to appoint a single representative to exercise the rights attached to that share. The records of shares are kept by the Central Depository which, at the request of any shareholder, may issue a statement of account indicating the number of shares held.

(4) The Company's shares may be encumbered by a right of usufruct or may be pledged, under the terms of the law.

(5) The Company's shares are freely transferable, and the Company may acquire its own shares under the terms of the law.

(6) A resolution of the Extraordinary General Meeting of Shareholders may be passed for the issuance of preferential shares with priority dividend, but without voting rights, in observance of the terms of the law.

### *Bonds*

**Art. 10** The Company is authorized to issue bonds in accordance with the law.

### *Rights and obligations arising from the shares*

**Art. 11** (1) Each share subscribed and paid up in full by the shareholders entitles to equal rights and grants them one vote in the General Meeting of Shareholders, the right to elect and be elected in the management bodies, the right to participate in profit distribution according to the provisions of this Articles of Incorporation and the legal provisions, as well as other rights provided by this Articles of Incorporation and the legal provisions. The shares issued in dematerialized form are traded on a regulated market, in accordance with the stock market legislation.





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- (2) By holding any shares, the respective holders thereof acknowledge they are bound by the Articles of Incorporation.
- (3) The rights and obligations attached to shares follow the shares, when these are transferred to other persons.
- (4) When a registered share becomes property of more people, a transfer thereof may only be registered if the persons concerned appoint a single representative to exercise the rights that the law affords to shareholders.
- (5) The obligations of the Company are guaranteed by its share capital and the shareholders are liable up to the value of the shares they hold.
- (6) The assets of the Company may not be encumbered by debts or other personal obligations of the shareholders.
- (7) Shareholders have the right to receive correct and complete information about the standing of the Company in the General Meeting of Shareholders. When new shares are issued, the existing shareholders have the right of preference to their subscription, under the terms of the law, pro-rata with the percentage of shares held in the Company.

### *Assignment of the shares*

- Art. 12** (1) Shares are indivisible with respect to the Company, which recognises only one owner for each share.
- (2) An assignment of all or part of the shares between shareholders or to third parties may only be conducted under the terms of, and in observance of the procedure provided by, the law.
  - (3) Any transaction with shares of the Company is carried out in keeping with the legislation in force applicable to organized securities markets.

## **Chapter 4 General Meeting of Shareholders**

### *Duties and Powers of the General Meeting of Shareholders*

- Art. 13** (1) General Meetings of Shareholders may be Ordinary and Extraordinary.
- (2) The main powers of the Ordinary General Meeting of Shareholders are to:
    - a) discuss, approve or amend the annual financial statements on the basis of reports presented by the Board of Directors and the financial auditor;
    - b) decide on the distribution of the net profit and to fix the dividend;
    - c) elect and revoke the members of the Board of Directors;
    - d) appoint and dismiss the financial auditor and to set the minimum term of the financial audit agreement;
    - e) set the general limits of the remuneration paid to the Chief Executive Officer and Chief Officers;



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- f) set 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) resolve on the discharge of office for the members of the Board of Directors;
- h) approve the development strategies and policies of the Company;
- i) set the annual income and expenditure budget for the next financial year;
- j) decide to pledge, rent or terminate one or more units of the Company;
- k) approve the reports of the Board of Directors on the activity carried out;
- l) review and address other matters presented by the Board of Directors.”
- m) approve the remuneration policy for the heads of units, as well as in case of any material change and, in any case, at least once every 4 years;
- n) submit to vote the remuneration report for the latest financial year; the shareholder opinion from the vote is advisory in nature.

**(3) The Extraordinary General Meeting of Shareholders** has the right:

- a) to change the legal status of the Company;
- b) to relocate the Company's offices;
- c) to amend the Company's scope of business;
- d) to set up or close secondary offices: branches, agencies, representation offices or other similar unincorporated units;
- e) to increase, reduce or reinstate the share capital by issuing new shares;
- f) to merger with other companies, or spin off, the Company;
- g) to early wind up the Company;
- h) to issue bonds;
- i) to convert shares from one category to another;
- j) to convert a category of bonds into another category or into shares;
- k) to stay the shareholders' right of preference to subscription of new shares issued by the Company;
- l) to authorize acquisition by the Company of its own shares and to set the term for this acquisition, in particular the maximum number of shares to be acquired, and, for acquisitions for a consideration, their minimum and maximum consideration and the period of the operation, in observance of the law; also, to set the means of disposing of the own shares acquired by the Company;
- m) to acquire, dispose of, exchange or pledge assets of the Company qualified as plant, property and equipment, the value of which exceeds, individually or cumulatively, during one financial year, 20% of the total fixed assets of the Company less the receivables;
- n) to lease out tangible assets, for a period of more than one year, whose individual or cumulative value related to the same co-contractor or persons involved or acting in a concerted manner exceeds 20% of the total value of the fixed assets, less receivables at the date of conclusion of the legal act, as well as joint ventures for a period of more than one year, exceeding the same value;
- o) to approve any other amendment to the Articles of Incorporation or pass any other resolution which requires approval of the Extraordinary General Meeting of Shareholders.
- p) to approve the term of office of the representatives of Nuclearelectrica in the General Meeting of Shareholders of Energonuclear S.A. for:



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- i. winding up and liquidation of Energonuclear S.A;
- ii. making any investment by Energonuclear SA that exceeds EUR 50,000,000 (EUR fifty million) in one single transaction, and/or that exceeds EUR 50,000,000 (EUR fifty million) aggregately with other transactions in any financial year;
- iii. conclusion by Energonuclear SA of any contract involving expenses or taking up any important obligation by Energonuclear SA that exceeds EUR 50,000,000 (EUR fifty million), individually or cumulatively, during one single financial year;
- iv. any actual or proposed sale, any other disposal of any assets or rights of Energonuclear SA, any actual or proposed acquisition of any assets or rights by Energonuclear SA that exceeds the aggregate amount of EUR 50,000,000 (EUR fifty million);
- v. Contracting by S.C. Energonuclear S.A. of any type of loans or debts or liabilities of the loan type, with a value exceeding EUR 50,000,000 (EUR fifty million).

(4) In addition to the powers and duties listed above or laid down under paragraph 3 above , the Extraordinary General Meeting of Shareholders resolves also on the following matters:

- a) conclusion by the Company of any contract, taking up of any obligation or commitment that could involve expenses, or taking up any other important obligation by the Company, according to the limits of power provided in Appendix no. 1 to these Articles of Incorporation.
- b) taking up the Company of any type of loans or debts or obligations of the loan type according to the limits of powers provided in Appendix no. 1 to these Articles of Incorporation;
- c) establishment or participation in establishment of companies regulated by the Law of Companies no. 31/1990, or of associations or foundations regulated by the Government Ordinance no. 26/2000 on associations and foundations;
- d) delegation to the Board of Directors of the power to stay the right of preference, in compliance with the quorum and majority conditions;
- e) approval of the consolidation of the nominal value of a share;
- f) approval of the Board of Directors' proposal concerning the value of a consolidated share to be used for calculation of the compensation amount;
- g) provision of information about the amounts payable to shareholders, approval of payment terms and conditions, as well as approval of calculation instructions to be made available to shareholders;
- h) authorization of the Board of Directors to amend the Articles of Incorporation further to consolidation of the nominal value of the shares, performance of all the necessary operations for registration and amendment of the Articles of Incorporation in the Trade Register.

### ***Convening of the General Meeting of Shareholders***

**Art. 14** (1)The General Meeting of Shareholders is convened to meet by the Board of Directors.

(2) The GMS can be convened in the following instances: (i) whenever the case, further to a decision of SNN's Board of Directors, by the Chairman of the Board of Directors or a member thereof, based on the authorization issued by the Chairman; (ii) at the request of the shareholders representing, individually or together, at least 5% of the share capital, and if this request concerns duties or powers of the meeting.



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The Board shall call the general meeting of shareholders to meet forthwith, at the request of shareholders according to the paragraph above, in not more than 30 days, and this shall meet in not more than 60 days of receiving such a request.

(3) The Ordinary General Meetings of Shareholders is held at least once a year, in not more than 4 (four) months of the end of the financial year, in order to review the financial statements of the previous year and the annual report of the Board, and to determine the budget of the current year.

(4) The meeting date cannot be set earlier than 30 days of publication of the convening notice in the Official Monitor of Romania, Part IV.

(5) The General Meeting of Shareholders, whether ordinary or extraordinary, will be convened whenever necessary, in accordance with the legal provisions and the provisions of the Articles of Incorporation, by publishing the call notice in the Official Gazette of Romania Part IV, and in a national daily newspaper or in a widely circulated newspaper of the locality where the Company's registered office is located, at least 30 days before the set date.

The 30-day term shall not apply to the convening of the general meeting of shareholders adjourned for a failure to meet the quorum, in compliance with the legal provisions.

(6) The convening notice shall include at least, the venue, the time and the date of the General Meeting of Shareholders, as well as the reference date, the agenda itemizing all the matters to be debated therein and clearly and accurately describing the procedures that shareholders must complete in order to be able to participate, and vote, in the General Meeting of Shareholders, as well as all the binding provisions of the applicable legislation.

(7) The notice for the first General Meeting of Shareholders shall also set the day and the time for the adjourned meeting, having the same agenda as the first meeting, in order to accommodate for the case where the first meeting could not be held due to the failure to meet the quorum.

(8) At least 30 days before the date set for the General Meeting of Shareholders and before this actually takes place, the Company is required to publish the convening notice in the Official Gazette of Romania Part IV, as well as in a national or a widely distributed newspaper from the locality where the Company's registered office is located, and on the Company's website, as well as the convening notice of the meeting and as the documents to be introduced to shareholders in the General Meeting of Shareholders.

(9) The complete agenda shall be published by the Company under the terms set out under the previous paragraph. At request, copies of these documents shall be issued to shareholders.

(10) When the agenda includes proposals of amendment of the Articles of Incorporation, the notice to attend shall also render the full text of such proposals. Where the agenda features appointment of the members of the Board of Directors, the convening notice shall also indicate that the list with information about the name, place of residence and professional qualification of the persons proposed for the office of member of the Board of Directors is available to the shareholders for examination and supplementation.

(11) The General Meeting of Shareholders shall be held, as a rule, at the registered office of the Company or at any other venue in the country or abroad, as indicated in the convening notice.



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(12) Shareholders representing, alone or together, at least 5% of the share capital have the right to introduce new items on the agenda of the General Meeting of Shareholders, as well as to present draft resolutions for the items entered, or proposed to be included, on the agenda of the General Meeting of Shareholders. This right may only be exercised in writing and within a 15-days period after convening publication, in compliance with the terms of the published convening notice and the applicable legal provisions. The agenda supplemented by the matters proposed by shareholders must be published at least 10 days before the date of the General Meeting of Shareholders set out in the initial call notice.

### ***Representation***

#### **Art. 15**

(1) The access of shareholders entitled to participate, as at the reference date, in the General Meeting of Shareholders shall be allowed by simply providing proof of their identity with an identity document, for shareholders who are natural persons, with an identity document of their legal representative, for corporate shareholders, and with the power of attorney granted to the persons representing them, in accordance with the applicable legal provisions, for natural person and corporate shareholders represented in the meeting.

(2) Shareholders may participate in person, or may be represented in, the GMS by a designated representative (“Attorney-in-Fact”), who has been granted a special/general power of attorney, based on the power of attorney form provided by the Company, under the terms of the law, which shall include how that representative is to cast the vote.

Save for when the General Meeting decides otherwise, media representatives shall not be allowed access to the meeting room.

### ***Organisation of the General Meeting of Shareholders***

#### **Art. 16**

##### **A. Quorum and voting rights in the Ordinary General Meeting of Shareholders First call**

(1) The Ordinary General Meeting of Shareholders may pass resolutions where the first called meeting is attended, in person or through representatives, by shareholders holding at least  $\frac{1}{4}$  of the total number of voting rights. Where the quorum is met, resolutions are passed with the majority of votes cast by the shareholders who are present, or validly represented, in the meeting.

##### **Second call**

(2) The adjourned General Meeting of Shareholders may resolve on the matters included on the agenda of the first meeting regardless of the number of attending shareholders, with the vote of the shareholders representing the majority of the votes cast by the shareholders who are present, or duly represented, in the meeting.



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**B. Quorum and voting rights in the Extraordinary General Meeting of Shareholders**  
**First call**

(3) The Extraordinary General Meeting of Shareholders may pass resolutions where the first called meeting is attended by shareholders holding at least  $\frac{1}{4}$  of the total number of voting rights. Where the quorum is met, resolutions may only be passed with the majority of votes held by shareholders who are present, or validly represented, in the meeting.

**Second call**

(4) The adjourned General Meeting of Shareholders may resolve on the matters included on the agenda of the first called meeting, when at least  $\frac{1}{5}$  of the total number of voting rights are presented or represented therein.

(5) Where the quorum is met, the adjourned General Meeting of Shareholders may resolve on the matters included on the agenda with the majority of votes held by shareholders who are present, or validly represented, in the meeting.

(6) By way of exception from the provisions referred at paragraph (5) above, for any resolutions concerning termination of the pre-emptive right of shareholders to underwrite new shares in share capital increases, the General Meeting of Shareholders is required to vote in observance of the relevant legal provisions concerning the quorum of the General Meeting of Shareholders and with the majority of votes cast, as provided by the capital market legislation.

(7) Any resolutions that amend the main scope of business of the Company, reduce or increase its share capital, change its legal status, or merge, spin-off or wind up the Company will be passed with a majority of at least  $\frac{2}{3}$  of the voting rights held by the present or duly represented shareholders.

(8) The quorum determination for a General Meeting of Shareholders shall also consider the shares that the shareholders cast their vote for in the General Meeting of Shareholders as “abstention”, as well as the shares that the shareholder cast no vote for. Determination of the majority required to pass resolutions in meetings shall also consider the “abstention” votes cast to the effect that, where the majority of the votes cast is represented by “abstention” votes, that resolution shall not deemed approved by shareholders, since the number of votes required to pass a resolution has not been met.

***Conduct of meetings***

**Art. 17** (1) The General Meeting of Shareholders is chaired by the Chairman of the Board of Directors or, in their absence, by the person replacing them.

(2) The Chairman of the Board of Directors or the person replacing them shall appoint one or more technical secretaries to check that the formalities required under the law for holding of the meeting are met, and to carry out the duties placed on them under the legal provisions.

(3) The General Meeting of Shareholders shall elect, from the present shareholders, one to three secretaries to check the attendance of the present shareholders, indicating the share capital each of them represents, the minutes documenting the number of shares submitted, and the performance of all the formalities required under the law and these Articles of Incorporation for holding the meeting, further which the meeting may proceed to debating the agenda.



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- (4) This minutes shall be prepared by the meeting secretary and shall document that the convening formalities have been met, the date and venue of the meeting, the agenda, the present shareholders, the number of shares, a summary of the debates, the resolution passed and, at request of shareholders, the statements they made during the meeting. The minutes shall be signed by the chairman of the meeting, the meeting secretary and the technical secretaries.
- (5) The minutes shall have enclosed documents related to the convening notice, as well as the shareholder attendance lists.
- (6) The meeting minutes shall be digitally edited and enclosed to the Register of Meetings and Resolutions of the General Meetings of Shareholders, a register that can be kept in electronic format and which is then sealed and stamped at the end of the year.
- (7) The resolutions of the General Meeting of Shareholders are drawn up based on the minutes and/or the electronic result regarding of the voting, and are signed by the Chairman of the Board of Directors and the secretary of the meeting.
- (8) In order to be enforceable against third parties, the resolutions of the General Meeting of Shareholders shall be submitted to the relevant Trade Register Office within 15 days in order to be entered in summary in the register, and shall be published in the Official Gazette of Romania.
- (9) Shareholders may attend in person or through a representative, according to the legal provisions. Shareholders may be represented also by persons, other than the shareholders, through an attorney-in-fact holding a special/general power of attorney, or may cast a postal vote. The procedure and forms for the special/general powers of attorney and postal ballots shall be determined be established by the Company in accordance with the legal provisions in force and shall be made public on the Company's website not later than the date of the convening notice for the General Meeting of Shareholders.
- (10) Considering the introduction of the right of postal vote, which may be exercised by any of the shareholders, the statutory quorum that must be met for holding of any type of General Meeting of Shareholders to be duly held, shall be calculated including also the votes qualified as duly submitted by post.
- (11) And for the postal vote, each shareholder has the right to vote on all the matters on the agenda by casting a vote “for”, “against” or “abstention” thereon. The votes cast and not cancelled for procedural defects shall be taken into account.
- (12) In order to provide for the effective and real possibility that shareholders take note of the content of the documents and proposals made by those who request the holding of the General Meetings of Shareholders, these shall be made available to them at the Company's registered office and on the Company's website internet, at least 30 days before the scheduled date of the meeting, by care of the Board of Directors.
- (13) In the notices advising of the convening of the General Meeting of the Company's Shareholders, the Board of Directors shall include the reference date against which shareholders shall be entitled to participate and vote therein. These shall also set the date before which shareholders may submit their powers of attorney, as well as the postal vote procedure, for any of the matter submitted for approval.
- (14) The shareholders' postal votes or submitted general/special powers of attorney shall have a clear and precise form, containing the mention “for”, “against” or “abstention”, for each matter subject to approval.



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***Exercise of the voting right in the General Meeting of Shareholders***

**Art. 18** (1) The shareholders entered into Shareholders' Register on the reference date may vote in the General Meeting of Shareholders in person, by representative or by post.

(2) The shareholder representative enjoys the same rights to take the floor and ask questions in the General Meeting of Shareholders as the shareholder they represent would have.

In order to be appointed as a representative, the person concerned must have legal capacity.

(3) Where the vote is cast through a representative, the original special power of attorney or the original general power of attorney, when first used, shall be submitted to the Company's registered office 48 hours before the meeting, or shall be sent by electronic means, *i.e.* by email with embedded extended electronic signature, under the penalty of being terminate the right to vote in that meeting.

(4) Shareholders may vote by post before the General Meeting of Shareholders, in compliance with the procedures devised by the Company in this regard.

(5) The members of the Board of Directors, the Chief Executive Officer, or the employees and officials of the Company may not represent shareholders, under penalty of the resolution thus passed being null, where, in absence of their vote, the required majority would not have been attained.

(6) The resolutions of the General Meetings of Shareholders are passed by show of hands. The secret ballot is mandatory for election and revocation of the members of the Board of Directors, for appointment and revocation of the financial auditor, and to pass resolutions concerning the liability of the members of the Company's governance, management and control bodies.

(7) The following procedures concerning the secret ballot shall apply in mandatory cases, with a view to ensuring the secrecy of the vote in the General Meeting of Shareholders:

- a) the technical secretaries of the meeting shall hand over to shareholder a ballot indicating the number of shares they hold and instructions on how to vote;
- b) each shareholder shall vote by filling out the ballot and submitting it to the secretaries of the meeting, who determine the voting result.

(8) The resolutions of the General Meetings of Shareholders are passed, for each item on the agenda, by filling out a ballot.

(9) The resolutions passed by the General Meetings of Shareholders, within the limits of the law and these Articles of Incorporation are binding also on shareholders who are absent, not represented, or voted against them.

(10) The shareholders who voted "Against" have the right to withdraw from the company and to request that their shares are acquired by the Company, but this only when that resolution of the General Meeting concerns:

- a) amendment of the core business;
- b) relocation the Company's registered office abroad;
- c) amendment of the Company's legal status;
- d) merger or spin-off of the Company.





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## Chapter 5 The Board of Directors

### *Organization and Functioning of the Board of Directors*

**Art. 19** (1) The company is managed under single-tier system. The executive body of the company is the Board of Directors, consisting of 7 (seven) members of which at least 4 (four) members must be independent directors. The members of the Board of Directors will be elected for a 4-year term of office, and can be re-elected. The members of the Board of Directors are elected by the Ordinary General Meeting of Shareholders, according to the legal provisions.

(2) In case of vacancy of one or more positions of directors, the Board of Directors proceeds with the appointment of provisional directors, until the gathering of the Ordinary General Meeting of Shareholders.

(3) Directors may be revoked at any time by the Ordinary General Meeting of Shareholders. Each director must expressly accept the exercise of their respective office. The company must celebrate a D&O type insurance.

(4) During their term of office, directors may not enter into an employment contract with the company. If the directors have been appointed from among the company's employees, the employment contract is automatically suspended de jure as of the date of acceptance of the term of office.

(5) The members of the Board of Directors must exercise their mandate with prudence and diligence of a good director, with loyalty, in the interest of the Company and are not allowed to disclose confidential information and business secrets of the Company.

(6) The Board of Directors is managed by a Chairman. The Chairman of the Board of Directors is elected by the Board of Directors among its members. The Chief Executive Officer of the Company cannot fulfil this condition, even if he/she is a member of the Board of Directors. The Chairman of the Board of Directors is appointed for a period that may not exceed the term of office of director and may be revoked at any time by the Board of Directors. The Chairman coordinates the activity of the Board and reports related to this to the General Meeting of Shareholders. The Chairman ensures the proper functioning of the company's decision-making bodies.

(7) The meetings of the Board of Directors will be convened as follows:

a) by the Chairman of the Board of Directors (or by a member of the Board of Directors based on a mandate granted by the Chairman) as often as necessary, but at least once every 3 (three) months;

b) by the Chairman of the Board of Directors at the reasoned request of any two members of the Board of Directors or of the Chief Executive Officer, provided that the items included in the request fall within the powers of the Board of Directors;

c) by two members of the Board of Directors, if the Chairman fails to convene the meeting of the Board of Directors as mentioned at para. (a) and (b) above.



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- (8) The meetings of the Board of Directors will be convened by a notice transmitted at least 3 (three) working days before the date proposed to hold the meeting. The notification period will not include the day of transmission and the day of the meeting. The notification will be sent to all members of the Board of Directors, according to the provisions of the Articles of Incorporation.
- (9) The convening of the meeting of the Board of Directors will be transmitted to every member of the Board of Directors in written, by facsimile or by electronic mail. Each member of the Board of Directors must notify the Company in writing, by facsimile or e-mail, of any change in the address and/or facsimile number, as the case may be, of the respective member of the Board of Directors, and shall not be entitled to object to the Company for any irregularities relating to the notification if the change of address and/or facsimile number has not been notified this way by the member of the Board of Directors.
- (10) The convening on the gathering of the Board of Directors will mention the date and time of meeting, as well as the fact that it will be held at the Company's office (unless the convocation mentions another place, in which case the address shall be mentioned). The convening of the meeting of the Board of Directors shall also mention the agenda and shall comprise the entire documentation corresponding to the items of the agenda to be discussed within the meeting.
- (11) The Board of Directors cannot decide related to some items that are not included on the agenda, unless all attending members agree to their inclusion on the agenda.
- (12) The Board of Directors shall meet, as a rule, at the registered office of the company or operational meetings of the Board of Directors may be organized by remote communication means that should meet the technical conditions necessary for the identification of the attendants, their effective participation in the meetings of the Board of Directors and the continuous retransmission of the deliberations (telephone, video-conference or other communication equipment), as often as necessary, but at least once every 3 months, at the call of the Chairman or at the motivated request of 2 of its members or of the Chief Executive Officer. If the Board of Directors is convened at the request of two of its members or of the Chief Executive Officer, the convening will be transmitted within at the most 7 (seven) days as of the receipt of the request.
- (13) If technically possible, any member of the Board may validly participate in a meeting of the Board or of the advisory committee by means of teleconference, videoconference or any other form of communications equipment, provided that such equipment enables the participants to be identified, to participate effectively in the Board meeting and to transmit the meeting on a continuous basis.
- (14) A person who participates by teleconference, videoconference or any other form of communications equipment that complies with the requirements established at the paragraph above shall be deemed to be present in person at that meeting and shall be counted for the purposes of establishing a quorum and shall be entitled to vote.
- (15) The Board of Directors is chaired by the Chairman and, in his/her absence, by a member based on the mandate of the Chairman. The Chairman appoints a Secretary among the Company's employees.



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(16) The Board of Directors takes valid decisions in the presence of a majority of its members, and the decisions within the Board of Directors are taken with the majority of attending members. The decision related to the appointment or revocation of the Chairman of the Board of Directors is taken with the vote of the majority members of the Board of Directors. The Chairman of the Board will have the casting vote in case of a tie.

(17) The members of the Board of Directors may be represented at meetings only by other members of the Board based on a special written power of attorney or a general discretionary mandate. A member of the Board of Directors may represent only one absent member.

(18) The debates of the Board of Directors take place according to the agenda established and communicated by the Chairman at least 3 working days in advance. These ones shall be recorded in the minutes of the meeting, written in a register sealed and initialled by the Chairman of the Board of Directors.

(19) The minutes shall be signed by all attending members of the Board of Directors and by the Secretary. According to the minutes, the Secretary of the Board of Directors drafts his/her decision, which shall be signed by the Chairman, by the Secretary and by at least another one member of the Board of Directors.

(20) The members of the Board of Directors may perform any act connected with the management of the Company in its interest, within the limits of the rights conferred on them.

(21) In exceptional cases, justified by the urgency of the situation and the interests of the company, the decisions of the Board of Directors may be taken by unanimous written vote of the members, without a meeting. For a decision to be taken without a meeting, the proposal must be communicated in writing, including by email and accompanied by the relevant documentation, prior to the decision making. This procedure cannot be used for decisions of the Board of Directors regarding the financial statements or the authorized capital.

(22) The Chairman and the members of the Board of Directors shall attend the meetings. As the case may be, the Chairman of the Board of Directors may invite executive directors, internal auditors, as well as other employees of the company or specialists in various fields of activity from outside the company to the meetings for additional information. The President of the trade union may also be invited to discuss issues of professional, economic and social interest. In order to defend the professional, economic and social rights and interests of the members, he/she shall receive from the company's management the information necessary to negotiate the collective bargaining agreements. The items of the decisions of the Board of Directors related to issues of professional, economic and social interest shall be communicated in writing to the representative union, within two working days as of the meeting date.

(23) The members of the Board of Directors are jointly and severally liable towards the company for:

- a) the reality of the payments made by shareholders;
- b) the real existence of dividends paid;
- c) the existence of the registers required by law and their correct keeping;
- d) the accurate fulfilment of the decisions of the General Meetings of Shareholders;
- e) the strict fulfilment of the duties that the law and articles of incorporation impose.



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### **Tasks of the Board of Directors**

Art. 20 para. (3) **The Board of Directors has also the following tasks:**

- a) exercises control over the manner in which the Chief Executive Officer and the other Chief Officers manage the Company;
- b) endorses the income and expenditure budget;
- c) approves the management plan issued by the Chief Executive Officer and /or by the other Chief Officers;
- d) submits an annual report regarding the management activity to the General Meeting of Shareholders;
- e) represents the Company in the relationships with the Chief Executive Officer and with the Chief Officers appointed;
- f) endorses the financial statements of the Company;
- g) approves the Report of the Chief Executive Officer and the Reports of the Chief Officers;
- h) proposes to the general meeting the appointment and dismissal of the financial auditor and the minimum duration of the audit contract.
- i) approves the mandate contracts of the Chief Executive Officer and of the Chief Officers appointed establishing this way the organization modality of the managers' activity;
- j) approves the people empowered to negotiate the Collective Bargaining Agreement with the representative unions and/or representatives of employees as well as the negotiation mandate granted to them;
- k) approves the Collective Bargaining Agreement at the Company level;
- l) approves the Organization and Functioning Regulations of the Board of Directors;
- m) approves the activity programs (production, research– development, technological engineering, investments, etc.);
- n) approves the organizational structure of the Company and the number of positions as well as the Company's Organization and Functioning Regulations;
- o) approves the strategy regarding the energy sales transactions of the Company;
- p) approves the conclusion of any contract/document that triggers legal obligations for the Company (deeds of acquisition, alienation, exchange or pledge of assets within the category of fixed assets of the Company), whose value does not exceed, individually or cumulatively, during a financial year, 20% of the total fixed assets of the Company less the receivables, according to the competence limits provided for in the Appendix to this Articles of Incorporation;
- q) approves leases of tangible assets, for a period of more than 1 year, whose individual or cumulative value related to the same co-contractor or persons involved or acting in a concerted manner does not exceed 20% of the total value of the fixed assets, less receivables at the date of conclusion of the legal act, as well as joint ventures for a period of more than one year, which do not exceed the same value;
- r) approves the term of office of the representatives of Nuclearelectrica in the General Meeting of Shareholders S.C. Energonuclear S.A. for all decisions which fall within the competence of the General Meeting of Shareholders S.C. Energonuclear S.A. except for those for which a decision of the General Meeting of Shareholders of the Company is needed, according to the provisions of this Articles of Incorporation."



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- (2) The Board of Directors has the power to endorse/approve contracts, loans and various operations at the level of the Company, according to the limits of competence provided for at Appendix to this Articles of Incorporation.
- (3) The Board of Directors may create advisory committees, consisting of at least 2 members of the Board and in charge with conducting investigations and making recommendations to the Board.
- (4) A Nomination and Remuneration Committee and an Audit Committee shall be established within the Board of Directors. The Board of Directors may decide to set up other advisory committees.
- (5) Advisory Committees shall consist of at least two (2) members of the Board of Directors and at least one member of each Advisory Committee shall be an independent non-executive director. The actual number of members of each Advisory Committee shall be established by decision of the Board of Directors. The Audit Advisory Committee and the Nomination and Remuneration Committee shall consist only of non-executive directors. At least one member of the Audit Advisory Committee must hold experience in applying the accounting principles or financial audit.
- (6) The Nomination and Remuneration Committee formulates proposals for the position of member of the Board of Directors, Chief Executive Officer and Chief Officers , issues and proposes to the Board of Directors the selection procedure for the members of the Board of Directors, the Chief Executive Officer, the Chief Officers as well as other management positions, formulates proposals for the remuneration of the Chief Executive Officer, the Chief Officers and other management positions.  
The Audit Advisory Committee fulfils the duties assigned to this committee by the legislation governing the statutory audit of financial statements.
- (7) The Board of Directors shall decide on the additional tasks of the Nomination and Remuneration Committee and the Audit Advisory Committee as well as on the tasks of the other Advisory Committees it establishes.
- (8) At the proposal of the chairmen or members of the Advisory Committees, the Board of Directors may approve the co-opting of permanent independent external experts, natural or legal persons, specialists in the fields of activity of the Advisory Committees and who assist their members in their activity, establishing at the same time the remuneration of these experts.

### *Chief Executive Officer and the Chief Officers*

**Art. 21** (1) The Board of Directors delegates the management of the Company to one or more Chief Officers, naming one of them as Chief Executive Officer. The Chief Executive Officer may be appointed from among the directors, who thus becomes executive directors, or from outside the Board of Directors. Within the Board of Directors only one director can be an executive director. For the purposes of these Articles of Incorporation, the term "Chief Officer" shall mean the person to whom the powers of management of the Company have been delegated by decision of the Board of Directors and who enters into a contract of mandate with the Company, in accordance with the applicable legal provisions.



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- (2) The Chief Executive Officer represents the Company in dealings with third parties and in court. The Board of Directors represents the Company in its relationship with the Chief Executive Officer/Chief Officers.
- (3) The Chief Officers are responsible for taking all measures related to the management of the Company, within the scope of the Company's business and observing the exclusive powers reserved under the law or the Articles of Incorporation to the Board of Directors and to the General Meeting of Shareholders.
- (4) The Chief Executive Officer and the Chief Officers appointed by the Board of Directors shall have the duties set out in the mandate contracts approved by decision of the Board of Directors. The Chief Executive Officer will coordinate and monitor the work of the Chief Officers appointed by the Board of Directors.
- (5) Any director may request information from the Chief Executive Officer and Chief Officers regarding the operational management of the Company. The Chief Executive Officer and the Chief Officers are obliged to inform the Board of Directors regularly and comprehensively on the operations undertaken and those envisaged.
- (6) The Chief Executive Officer and the Chief Officers must expressly accept the exercise of the mandate. The Company is obliged to take out Directors and Officers Liability insurance to cover the liability of the Company itself and its management (Chief Executive Officer, Chief Officers, Board of Directors) towards third parties. The costs of this insurance shall be borne by the Company.
- (7) During their term of office, the Chief Executive Officer and the Chief Officers may not enter into an employment contract with the Company. If the Chief Executive Officer or the Chief Officers have been appointed from among the Company's employees, the employment contract entered into shall be automatically suspended from the date of acceptance of the mandate. The Chief Executive Officer/Chief Officer shall enter into a mandate/management contract with the Company for the duration of their term of office as Chief Executive Officer/Chief Officers. The Company shall be liable to the Chief Executive Officer and the Chief Officers in the event of their unjustified removal from office, in accordance with the law and the mandate/management contract.
- (8) The Chief Executive Officer and the Chief Officers have the obligation to exercise their mandate with the prudence and diligence of a good administrator, with loyalty, in the interest of the Company and are not allowed to disclose confidential information and business secrets of the Company, both during the exercise of the mandate of Chief Executive Officer/Chief Officer and for a period of 5 years after the termination of this function.

### ***Duties of the members of the Board of Directors, the Chief Executive Officer and the Chief Officers***

#### **Article 22**

- (1) The members of the Board of Directors, the Chief Executive Officer and the Chief Officers have duties of diligence and loyalty towards the shareholders of the Company.



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(2) The members of the Board of Directors, the Chief Executive Officer and the Chief Officers are accountable to the General Meeting of Shareholders of the Company, according to the legal provisions regarding the mandate. Decisions of the members of the Board of Directors, the Chief Executive Officer and the Chief Officers shall be made after due consideration of the relevant circumstances existing at the time such decisions were made.

(3) Members of the Board of Directors, the Chief Executive Officer and Chief Officers shall not disclose confidential information and trade secrets of the Company to which they have access. This duty shall survive the end of their respective offices.

(4) If a member of the Board of Directors, the Chief Executive Officer or a Chief Officer has, directly or indirectly, interests contrary to the interests of the Company in a certain operation, he shall inform the other members and the internal auditors and shall not take part in any deliberations concerning this operation.

(5) The same obligation is incumbent on the members of the Board of Directors, the Chief Executive Officer and the Chief Officers if, in a certain operation, they know that their spouse, relatives or relatives up to and including the fourth degree are interested.

(6) The prohibitions laid down in paragraph (4) and (5), relating to the participation, deliberation and voting of the members of the Board of Directors, the decisions of the Chief Executive Officer and the Chief Officers, are not applicable if the object of the vote/decide is:

a) offering for subscription to a member of the Board of Directors, the Chief Executive Officer and the Chief Officers or to the persons mentioned in paragraph (5) of shares or debentures of the Company;

b) granting by a member of the Board of Directors, the Chief Executive Officer and the Chief Officers or by the persons mentioned in paragraph (5) a loan or the provision of a guarantee in favour of the Company.

(7) The Member of the Board of Directors, the Chief Executive Officer and the Chief Officers who have not complied with the provisions of paragraphs (4) and (5) shall be liable for the resulting damage to the Company.

(8) It is forbidden for the Company to credit the members of the Board of Directors, the Chief Executive Officer and the Chief Officers, through operations such as:

a) granting loans;

b) granting financial advantages to them on the occasion of or after the conclusion by the Company with them of operations of delivery of goods, provision of services or execution of works;

c) directly or indirectly guaranteeing, in whole or in part, any loans granted to the members of the Board of Directors, the Chief Executive Officer and the Chief Officers, concurrently or subsequent to the granting of the loan;

d) directly or indirectly guaranteeing, in whole or in part, the performance by the members of the Board of Directors, the Chief Executive Officer and the Chief Officers of any of their other personal obligations to third parties;

e) the acquisition for valuable consideration or payment, in whole or in part, of a claim relating to a loan granted by a third party to the members of the Board of Directors, the Chief Executive Officer and the Chief Officers or to any other personal performance by them.



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(9) The provisions of paragraph (8) are also applicable to transactions in which the spouse, relatives or relatives up to and including the fourth degree of the members of the Board of Directors, the Chief Executive Officer or the Chief Officers are interested; also, if the transaction concerns a civil or commercial company in which one of the aforementioned persons is a director or holds, alone or together with one of the aforementioned persons, a share of at least 20% of the subscribed share capital.

(10) The provisions of paragraph (8) shall not apply if the transaction is entered into by the Company in the ordinary course of its business and the terms of the transaction are not more favourable to the persons referred to in paragraphs (8) and (9) than those which the Company normally applies to third parties.

## **Chapter 6**

### **Audit of the Company**

#### ***Financial audit and Internal audit***

**Art. 23** (1) The financial statements shall be audited by a financial auditor, member of the Romanian Chamber of Financial Auditors, as appointed by the Ordinary General Meeting of Shareholders under a specialty services agreement.

(2) The financial auditor has the obligation to audit the financial statements of the Company, i.e. to verify the correct reflection of the Company's financial position and performance. The financial auditor is also legally obliged to prepare and present to the General Meeting of Shareholders a report on the annual financial statements.

(3) The company organises its internal audit in accordance with legal requirements.

## **Chapter 7**

### **Business of the Company**

#### ***Financing of the own activity***

**Art. 24** In order to pursue its business and in accordance with the determined duties and powers, the Company shall use financing sources established according to the law, bank loans and other financing sources.

#### ***Financial year***

**Art. 25** The financial year begins on 1 January and ends on 31 December of each year.

#### ***Personnel of the Company***





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**Art. 26** (1) The Company's staff are hired and/or fired by the Chief Executive Officer or, as applicable, by the Chief Officers granted such powers under their respective mandate contracts, as approved by the Board of Directors or by Decision of the Chief Executive Officer. The staff of the Company's branches, save for the management staff thereof, shall be hired and fired by the Branch Manager, within the powers granted to the latter by the Chief Executive Officer. The rights and duties of the Company's staff are set out under the Organization and Functioning Regulation, the Collective Bargaining Agreement, the Internal Rules and the Job Description. The salary entitlements and other rights of the staff are set out under the Collective Bargaining Agreement.

(2) The Company's staff shall be also bound by the Nuclear Employee Code of Conduct.

### ***Depreciation of plant, property and equipment***

**Art. 27** Depreciation of the Company's tangible and intangible assets shall be calculated according to the depreciation method set by the Board of Directors, in accordance with the legal regulations.

### ***Accounts and preparation of the financial statements***

**Art. 28** The Company shall keep its accounts in RON, and is under the obligation to prepare annual financial statements in accordance with the applicable legal provisions in force.

### ***Profit calculation and distribution***

**Art. 29** (1) The Company's profit shall be determined on the basis of the annual financial statements, as approved by the General Meeting of Shareholders.

(2) The taxable profit is determined according to the law.

(3) The Company's profit after taxes shall be distributed as determined under a Resolution of the General Meeting of Shareholders and the legal provisions in force.

(4) The Company shall establish a reserve fund and other funds, in accordance with the law. At least 5% shall be set aside from the Company's profit every year for the formation of the reserve fund, until this reaches at least one fifth of its share capital.

(5) The payment of dividends due to shareholders is made by the Company according to law.

(6) Dividends are distributed to shareholders pro-rata with the number of shares they hold.

(7) Losses shall be borne by the shareholders pro-rata with the contribution of each shareholder to the Company's share capital.

### ***Registers of the Company***

**Art. 30** The Company shall all the registers required under the law by care of its directors. The Shareholders' Register is kept by the Central Depository.



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## **Chapter 8**

### **Association, change of legal form, dissolution, liquidation, litigation**

#### ***Association***

**Art. 31** The Company may set up, alone or together with other legal entities and/or individuals, Romanian and/or foreign, other companies and/or other legal entities with a similar business objective, under the conditions provided for by law and by these Articles of Incorporation. The conditions for the participation of the Company in the establishment of new legal entities or in joint venture contracts shall be laid down in the articles of incorporation or in the joint venture contract, which shall be approved by the General Meeting of Shareholders.

#### ***Change of legal form***

**Art. 32** (1) The Company's legal status may be amended by resolution of the Extraordinary General Meeting of Shareholders. During the time when the Romanian State is a shareholder, the Company's legal status may only be amended with the approval of the line ministry, under the authority of which the Company is placed, by representatives empowered to represent the interests of the State capital.

(2) The new company will comply with the legal registration and advertising formalities required for the establishment of companies.

#### ***Dissolution of the Company***

**Art. 33** (1) The dissolution of the Company may take place in the following situations:

- a) the impossibility of achieving the Company's business objective;
- b) the declaration of nullity of the Company;
- c) the resolution of the Extraordinary General Meeting of Shareholders, taken in accordance with the provisions of art. 15 of these Articles of Incorporation;
- d) bankruptcy of the Company;
- e) other situations regulated by legal provisions.

(2) The dissolution of the Company must be registered at the competent territorial Trade Register Office and published in the Official Gazette of Romania, Part IV, in compliance with the relevant legislation.

#### ***Liquidation of the Company***

**Art. 34** (1) In case of winding-up, the Company shall be liquidated.

(2) The liquidation of the Company and the distribution of the assets shall be carried out under the conditions and in accordance with the procedure provided by law.



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### *Disputes*

**Art. 35** Litigation of any kind arising between the Company and Romanian or foreign individuals and/or legal entities are under the jurisdiction of the courts.

### **Chapter 9** **Closing provisions**

**Art. 36** (1) These Articles of Incorporation may be amended by resolution of the General Meeting of Shareholders, in accordance with Romanian law.

(2) The provisions of these Articles of Incorporation shall be supplemented by the provisions of Law no. 31/1990, republished and amended, and other applicable legal provisions in force, as well as the capital market legislation governing the activity of issuers whose shares are admitted to trading on a regulated market.



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## Appendix

*The limits of competence of the Chief Executive Officer, the Board of Directors and the General Meeting of Shareholders with regard to contracts and operations at Company level:*

<b>Contracts, loans and operations</b>		<b>Approval authority</b>			
<b>Type of contract/operation</b>	<b>Contract/operation value</b>	<b>Chief Officers (*)</b>	<b>Board of Directors</b>	<b>General Meeting of Shareholders</b>	
1	Initiation of the procurement procedure for products, services and works.	Less than EUR 5,000,000	To approve	To get information	
		Greater than or equal to EUR 5,000,000	To endorse	To approve	
2	Investment decisions	Less than EUR 3,000,000	To approve	To get information	
		Greater than or equal to EUR 3,000,000 and below EUR 50,000,000	To endorse	To approve	To get information
		Greater than or equal to EUR 50,000,000	To endorse	To endorse	To approve
3	Debt rescheduling agreements	Less than EUR 3,000,000	To approve	To get information	
		Greater than or equal to EUR 3,000,000	To endorse	To approve	
4	Taking out loans, irrespective of their duration	Less than EUR 50,000,000	To endorse	To approve	To get information
		Greater than or equal to EUR 50,000,000	To endorse	To endorse	To approve
5	Guarantees for loans	Less than EUR 50,000,000	To endorse	To approve	To get information
		Greater than or equal to EUR 50,000,000	To endorse	To endorse	To approve

*(\*) the term "Chief Officer" shall mean the person to whom the powers of management of the Company have been delegated by decision of the Board of Directors and who enters into a contract of mandate with the Company, in accordance with the applicable legal provisions.*

CHAIRMAN OF THE BOARD OF DIRECTORS,

TEODOR MINODOR CHIRICA