About TVEL Fuel Company

Chapter 1.

TVEL JSC is a parent company of TVEL Fuel Company of ROSATOM. TVEL JSC was registered by Moscow Registration Chamber on September 12, 1996. In 2015 a new edition of the Articles of Association with the new name of the company TVEL Joint Stock Company (TVEL JSC) was approved in order to bring the Articles of Association of TVEL OJSC in accordance with applicable Civil Code of the Russian Federation (Federal Law as amended on May 5, 2014 under No. 99-FZ).

The core activity of the Company is uranium enrichment, development and production of gas centrifuges and the associated equipment, development, fabrication and sale (including export) of nuclear fuel and related non-nuclear products.

TVEL Fuel Company produces fuel assemblies for all types of operating Russian power units (VVER, RBMK, EGR, FN), research and marine reactors, PWR and BWR reactors in Western Europe in cooperation with AREVA, and TVEL KVADRAT fuel of proprietary design for PWR reactors of Western design.

TVEL JSC General information

| The full name in the Russian language | Акционерное общество “ТВЭЛ” |
| The abbreviated name in the Russian language | АО “ТВЭЛ” |
| The full name in the English language | TVEL Joint Stock Company |
| The abbreviated name in the English language | TVEL JSC |
| Address of location | 49 Kashirskoe Highway, Moscow 115409, Russian Federation |
| Legal address | 24 Bolshaya Ordynka St, Moscow 119017, Russian Federation |
| Internet address | http://www.tvel.ru |
| E-mail | info@tvel.ru |
| Telephone | +7 (495) 988-82-82 |
| Fax | +7 (495) 988-83-83 ext. 6956 |

Apart from its core products, the Company supplies non-nuclear products to the Russian and global markets in four main directions: Metallurgy, Machine building, Instrumentation, Chemistry and Power Engineering, including:

- zirconium
- isotopes
- lithium
- polishing powders
- calcium
- titanium products
- zeolite catalysts
- fluorohydrogen compounds
- rare-earth metals
- superconductor materials

The enterprises of TVEL Fuel Company have proprietary research and development design divisions that contribute to successful operation of hydrometallurgical, metallurgical, machine-building and rolling facilities.

TVEL Fuel Company takes a central place in the structure of ROSATOM for the front end nuclear fuel cycle.

TVEL Fuel Company is the single supplier of nuclear fuel to Russian nuclear power plants. It provides with nuclear fuel 78 power reactors in Russia, European and Asian countries, research reactors in 9 countries worldwide and transportation reactors of the Russian Nuclear Powered Fleet. One out of every six power reactors in the world operates with fuel manufactured by TVEL Fuel Company.

TVEL JSC (the Holding Managing Company) is the management center for TVEL Fuel Company’s operations.

All activities are in strict compliance with safety requirements: nuclear, radiation, industrial, fire, environmental, labor safety, physical protection of nuclear facilities and readiness for emergency response.

Position of TVEL Fuel Company in Nuclear Technological Chain

- Exploration
- Extraction
- Ore processing
- Equipment Manufacturing
- Equipment Supply
- Hook-up and Commissioning
- Maintenance and Modernization
- Design and Engineering
- Construction of Nuclear Power Plants
- Nuclear Power Plant Maintenance
- Decommissioning
- Radioactive Waste Management
- Innovation
- Spent Fuel Management
- Design and Engineering
- Fuel Division
- Conversion
- Enrichment
- Fuel fabrication
- Electric Power Division
- Construction of Nuclear Power Plants
- Energy Production at the Nuclear Power Plant
- Machine-Building Division
- Equipment Engineering
- Power Engineering
Specific nature of the social environment of TVEL FC operations is that three enterprises of the Company are located within Closed Administrative Territorial Units (CATU): Seversk, Novouralsk, Zelenogorsk and one is located within a mono-town (Glazov). These enterprises are town-forming organizations and major taxpayers.

The enterprises of TVEL Fuel Company are located in 11 regions of the Russian Federation. Information about the Company’s representative offices abroad is available on the website http://tvel.ru/wps/wcm/connect/tvel/tvelsite/about/structure/foreign/offices/.

The Fuel Company consists of four complexes for type-specific production of the front end of nuclear fuel cycle (FE NFC):

- **Separation-Sublimation Complex (SSC)** — a group of integrated plants engaged in enrichment and conversion of uranium.
- **Nuclear Fuel Fabrication Complex (NFFC)** — a group of subsidiary industrial enterprises that manufacture nuclear fuel for various reactors.
- **Gas Centrifuge Complex (GCC)** — a group of subsidiary industrial enterprises producing gas centrifuges (GC) and accessories for enterprises of the separation-sublimation complex.
- **Research and Engineering Complex** — the merger of R&D and technological competences of gas centrifuge design bureau (NRDC LLC, OKB-Nizhny Novgorod JSC, Branch of NRDC LLC — Centrotech-Sp jade) and production facilities (UGCMP LLC) took place in 2015. That was the first stage of Research and Production Association (RPA) establishment in TVEL Fuel Company aimed at R&D improvement and provision of the product full life cycle (from marketing to disposal). The second stage in 2016 will combine ZEP RPA LLC and Uralpribor LLC (Novouralsk CATU).

1.2. **Position of TVEL FC in the World Market of the Front End Part of the Nuclear Fuel Cycle**

TVEL Fuel Company is a global leader in nuclear fuel production. The Company’s share in the global market of fuel fabrication in 2015 reached 17%. TVEL jointly with Techsnabexport JSC take one third of the world market services on uranium enrichment.

Key Competitors of the Nuclear Fuel Fabrication Market in 2015, %

<table>
<thead>
<tr>
<th>Company</th>
<th>Share of NPP running on Russian fuel, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>AREVA</td>
<td>100</td>
</tr>
<tr>
<td>Westinghouse Electric Company</td>
<td>100</td>
</tr>
<tr>
<td>TVEL FC</td>
<td>100</td>
</tr>
<tr>
<td>GNF</td>
<td>100</td>
</tr>
<tr>
<td>Others</td>
<td>100</td>
</tr>
</tbody>
</table>

NPP Units in Operation as of the End of the Reporting Year

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian-Pacific region</td>
<td>73</td>
<td>72</td>
<td>69</td>
</tr>
<tr>
<td>North America</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>West Europe</td>
<td>118</td>
<td>115</td>
<td>70</td>
</tr>
<tr>
<td>CIS and Eastern Europe</td>
<td>129</td>
<td>118</td>
<td>70</td>
</tr>
<tr>
<td>South America</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Africa</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

1. In the course of GCC Enterprises Reorganization project accomplishment, the Company carried out rebalancing of GCC enterprises production capacities in 2016. GC Production was primarily located in KMP PJSC and partially in UGCMP LLC. VNA Tuchmash JSC replaced the GC production with civilian and special production, as well as the production of accessories for enterprises of the nuclear industry.