



NUCLEARELECTRICA

No.

CLEARED BY
Chairman of the Board of Directors
Teodor Chirica

NOTE

on the approval of (i) the establishment by Societatea Nationala Nuclearelectrica S.A. (SNN) of a foundation, as sole founder and (ii) the authorization of the Board of Directors of SNN to carry out all formalities in connection with establishment of the foundation, with permission to further delegate such to the executive management of SNN

1. Context Overview

Societatea Nationala Nuclearelectrica S.A. (SNN) strives to provide continuity for its social responsibility initiatives embedded into the *platform Nucleu de Bine (Nucleus of Care)*, which SNN launched in 2022 and follows the strategic directives and the Company's vision of to build a sustainable future for the future generation, both by generating clean energy at excellence standards, and through the social and economic impact which it has in Romania.

SNN has identified the opportunity to establish a foundation, as a vehicle for SNN to secure better execution and promotion of its social responsibility programmes, by channelling SNN's resources to initiatives that generate a sustainable positive impact.

This opportunity of SNN to establish a foundation has been reviewed also in the context of driving major benefits from implementation of the CSR programmes, *i.e.* attaining the objectives stemming from the Letter approved with the Order of the Minister of Energy no, 1309/22.12.2022, which sets out, among other expectations of shareholders, *adoption of a corporate social responsibility policy aimed at defining the strategic orientation and the priority directions of the Company's involvement in philanthropic, charitable and humanitarian actions for both the communities neighbouring the nuclear facilities operated by SNN (in Cernavoda and Pitesti), and across the country*.

Therefore, the foundation is envisaged to be:

- a Romanian private law, not-for-profit, non-governmental, non-political and non-religious legal entity, established under the Government Ordinance no. 26/2000.

Societatea Nationala NUCLEARELECTRICA S.A.

Bulevardul Iancu de Hunedoara 48, Bucharest 011745, Romania; Phone +4021 203 82 00, Fax +4021 316 94 00;
Registered with the National Office of the Trade Register under no. J1998007403409, European Unique Identifier (EUID) ROONRC
J1998007403409, Unique Registration Code with the Trade Register (CUI) 10874881, Tax identification code (CIF) RO10874881, IBAN

code RO94 RNCB 0072 0497 1852 0001 opened with BCR Sector 1 Branch;

Subscribed and paid-up share capital: RON 3,016,438,940.

office@nuclearelectrica.ro, www.nuclearelectrica.ro

- Purpose of the foundation: to carry out humanitarian, charitable, philanthropic, educational, health, environmental and cultural activities consisting in initiation and implementation of social, humanitarian, community and sustainable development programmes.
- Objectives of the foundation:
 - a. to support projects aimed at providing medical equipment, medical services, actions or other activities related to healthcare upgrading and improving access to quality medical services for all categories of beneficiaries thereof;
 - b. to grant financial support for various causes, especially of a medical nature;
 - c. to provide financial support to specific actions aimed at upgrading and equipping schools with tablets, notebooks and other laboratory equipment;
 - d. to provide financial support for scientific research, development and innovation, especially in the nuclear field: mentorship programmes; career counselling programmes; programmes to equip physics, computer science and robotics laboratories;
 - e. to grant scholarships in support of scientific research, development and innovation in the nuclear field;
 - f. to encourage education and to provide financial support for rural access to education;
 - g. to provide aid for scholarships and logistic support to attend education in the country or abroad;
 - h. to foster and support environmental protection events and activities;
 - i. to support environmental projects through afforestation/reforestation actions; setting up green areas; actions to support environmental/mountain organization (clean up mountain areas/place garbage bins; mark mountain trails; place display boards with trains, etc.);
 - j. to support actions aimed at supporting development of local communities and at improving the living conditions therein, smoothing access to quality medical care, helping the disadvantaged categories of population, providing opportunities for youth education and acquisition of skills, increasing the number and the quality of green areas, etc.;
 - k. to support organizations that promote sustainable public policies in the economic, energetic, social, cultural fields, such as professional associations, institutes, resource centers, etc.;
 - l. to support cultural and educational actions aimed at facilitating public access to culture and personal development, supporting art works and performances, etc.
 - m. to support humanitarian actions intended to help segments of the population affected by natural disasters or individual cases of people with disabilities through relevant associations, actions intended in particular for elderly and children.
 - n. to foster social engagement and volunteering;
 - o. to support families and disadvantaged categories by fostering family integration, fighting poverty and family abandonment;
 - p. to create equal opportunities for people with special needs;
- Duration of the foundation: indefinite
- The foundation will be steered by a Managing Board formed of 5 members appointed by SNN's Board of Directors
- Term of office of the Managing Board's members: 4 years.
- The initial assets of the foundation will be of a minimum of RON 40,500, in accordance with the provisions of the Government Ordinance no. 26/2000, and raising additional funds from external partners is permitted.

Implementation of this initiative, *i.e.* establishment of the foundation, requires a number of legal, administrative and strategic steps, as follows:

- The Ministry of Justice confirmed the availability of the name “*Nucleu de Bine*” (“Nucleus of Care”), meaning that this name has not been previously reserved for another entity, and that there is no other foundation entered under this name into the National Register. The name reservation dated 27 January 2025 is valid until 27 July 2025.
- Under Article 15 of the Government Ordinance no. 26/2000, the initial assets of the foundation shall include goods in kind or cash, the total amount of which is at least 10 times the gross national minimum wage at the date of the foundation's establishment, namely at least RON

40,500. Consequently, the initial assets of the foundations will consist solely of cash, in the legally required amount of RON 40,500.

- Establishing the office of the foundation.
- Completion of the draft Articles of Association of “*Nucleu de Bine*” (Nucleus of Care) Foundation.

2. Need for, and advisability, of the request

Establishment by SNN of a foundation, based on clear criteria, which will act as a stand-alone legal entity which is independent from SNN, provides the following benefits:

- it is more efficient than keeping the corporate social responsibility (CSR) activities in-house because it provides a structure intended exclusively at philanthropic and social impact initiatives. A foundation further provides the needed flexibility to focus on specific social development, education or environmental objectives, without being inhibited by the business and bottom line constraints and pressures that often shape the decision of a company. Foundations may also raise external funding, receive donations and enter into partnerships with other organizations to increase the resources available for their projects. Moreover, with a clearly defined structure and long-term goals, foundations can implement programmes with a more consistent and sustainable impact, and thus ensure an efficient allocation of resources and better monitoring of the long-term results.
- it will ensure a clear segregation between SNN's business activities and its social initiatives, and facilitate a clearer and more efficient allocation of the sponsorship funds by directing resources towards social, educational and environmental initiatives. We point out that, according to the enclosed draft Articles of Association, the control of the financial and business activity is provided by a censor appointed to this office under a decision of the Managing Board. Thus, having the financial and business activity controlled by an independent censor appointed by the Managing Board strengthens the independence of SNN from the foundation's activities.
- it will ease collaboration with other institutional actors - non-governmental organizations and public institutions, by expanding the partnership networks and strengthening the position of SNN in the field of social responsibility.
- it will support a more visible public commitment of the company to the principles of social responsibility, and thus strengthen SNN's reputation;
- it will promote the image of a company actively involved in supporting communities, help strengthen the company's credibility before the public and its partners, and evidence a firm commitment to social responsibility actions with a beneficial impact on a significant number of people.

3. Clearance/approval Powers

According to Article 13.4(c) of SNN's Articles of Association: “*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: (...) 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;*”

Given the legal status of SNN (*as a Romanian legal entity organized as a joint-stock company*), the share capital structure(*majority State-owned, as the Romanian State - through the Ministry of Energy, holds 82.4981% of the shares*) and its listing on the stock exchange, and linking these with the legal provisions, the following conclusions can be drawn **as to SNN establishing a foundation**:

- **SNN** - a majority State-owned company acting in electricity generation (listed on the Bucharest Stock Exchange) - may **establish a foundation in order to pursue activities of general interest/in the interest of specific communities** (under the provisions of the Government Ordinance no. 26/2000 on associations and foundations) with the aim of carrying out and supporting projects in

different fields (education/learning, health, environment, culture, arts, humanitarian, etc.), and of streamlining implementation and advancement of social responsibility programmes.

- Under the provisions of Law no. 32/1994 on sponsorship, **SNN may not extend sponsorship from sources obtained from the budget.**
- In order to enjoy the legally-provided tax relief, **SNN may not directly manage or control the foundation.**
- **The foundation will operate as a stand-alone and not-for-profit legal entity, with its own objectives and governing structures**, and this allows the founding company to contribute to various causes without exercising direct control over the foundation's activities. This will help increase transparency and strengthen public confidence in the activities pursued.

4. Proposals submitted for approval by the Extraordinary General Meeting of SNN Shareholders

With this Note, we hereby submit the following proposals to the Extraordinary General Meeting of SNN Shareholders:

- **To approve establishment by SNN, as sole founder, of a foundation, with the characteristics presented in this Note.**
- **To authorize the Board of Directors of SNN to carry out all formalities in connection with establishment of the foundation, with permission to further delegate such to the executive management of SNN, including**, but without limitation to: chose the foundation's name; take the necessary steps to reserve the foundation's name; decide on the foundation head-office; write and have approved the foundation's articles of association, in compliance with the legal requirements; appoint the members of the foundation's Managing Board; carry out all the necessary operations/formalities in order to set up the foundation's assets (including to open accounts, make the necessary payments, etc.); fill out and sign any forms, applications, declarations or statements needed to hold the status of sole founder of the foundation; hire notary services, if need be; and, in general, carry out any operations/formalities and sign any documents required by, and in connection with, establishment of the foundation.

Appendices:

Draft Articles of Association of *Nucleu de Bine* (Nucleus of Care) Foundation

Proof of name availability *Nucleu de Bine* (Nucleus of Care)

CEO

Cosmin Ghita

CFO

Daniel Adam

Director of Communication, Sustainability and Public Relations Directorate

Luciana – Elena Petrescu

Director of Legal and Corporate Governance Directorate

Vlad Chiripus