



Unauthorized translation, in case of any discrepancies, the Romanian version prevails

SNN no.

**Approved by,
Chairman of the Board of Directors
Laurentiu Nicolae Cazan**

NOTE

for approval to the Extraordinary General Meeting of Shareholders of the following: (i) the establishment of the Cernavoda Refurbishment and Major Investment Branch (SRIM) under the conditions endorsed by the Board of Directors of the Societatea Nationala Nuclearelectrica SA (SNN) and (ii) the mandating of the Board of Directors of SNN, with the possibility of sub-delegation to the executive management of SNN, to carry out all the formalities/actions required by law for the filing/notification of the SNN's EGMS resolution at the competent territorial Trade Register Office, as well as to carry out any other formalities and sign any other documents in relation to this resolution and to those mentioned therein.

Societatea Nationala "Nuclearelectrica" SA was established in 1998 by the reorganization of the former Regia Autonoma de Electricitate "RENEL" under the Government Decision no. 365/1998, has its registered office in Bucharest, Bulevardul Iancu de Hunedoara nr. 48, its main activity being the production of electricity from non-renewable resources (CAEN Code 3511). Societatea Nationala "Nuclearelectrica" SA is the only electric power producer based on nuclear technology from Romania. SNN produces CANDU-type nuclear fuel bundles that are used to keep its own nuclear reactors in use. SNN has two branch offices, without legal personality: Cernavoda NPP Branch, operating Cernavoda NPP Units 1 and 2 and also the ancillary services) and Pitesti NFP Branch, a qualified nuclear fuel plant.

2. Endorsment/Approval Competences

- According to the provisions of Article 113 letter d) of the Law no. 31/1990 - the Company Law, R, as subsequently amended and supplemented, the competence to approve the establishment of branches lies with the extraordinary general meeting of the company's shareholders¹;
- According to the provisions of Article 43 of the above mentioned regulatory act: *"(1) Branches are divisions without legal personality of companies and shall be registered, before the start of their activity, in the trade register of the county in which they will operate; (2) If the branch is opened in a locality in the same county or in the same locality as the company, it shall be registered in the same trade register, but separately, as a separate registration; (3) Other secondary establishments -*

¹ The extraordinary general meeting shall meet whenever it is necessary to adopt a decision:

.... d) **to establish** or close secondary offices: **branches**, agencies, representation offices or other similar units without own legal personality, unless otherwise provided in the instrument of incorporation;

Societatea Nationala NUCLEARELECTRICA S.A.

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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.
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agencies, work sites or other such offices - are divisions without legal personality of companies and shall be mentioned only upon the company registration in the trade register of the main office.

- According to Article 13(3)(d) of the Articles of Association of SNN, current version: *“The Extraordinary General Meeting of Shareholders has the right to decide: d) to establish or close secondary offices: branches, agencies, representation offices or other similar units without own legal personality;”*

3. General considerations/ Presentation of the subject submitted for endorsement/approval

At this moment, a series of major strategic investments with impact in the national economy are being carried out by Societatea Nationala “Nuclearelectrica” S.A., of which the most important and sensitive project, in terms of nuclear safety, production continuity and long-term asset value, is the **Cernavoda NPP Unit 1 Refurbishment Project**.

At the Company level, the investment activity is currently managed by several departments within the executive structure, as well as within NPP, which is likely to cause potential disruptions in the activity, resulting in delays in the project completion.

Based on this situation, an internal analysis was conducted within SNN, which led to the conclusion that, in order to eliminate these possible disruptions and delays in the implementation of investment projects and, at the same time, to align with international best practices and established project management benchmarks for mega-projects, it is necessary to achieve a clear separation between project management and current operations, thus avoiding fragmentation of responsibilities, overloaded decision-making and interference with operational activity. In this respect, a series of models applied by reference CANDU operators were considered and analysed, as well as recommendations on the governance of major nuclear projects, which confirmed that the successful delivery of such projects requires a single organizational owner, tailored decision-making processes and organizational stability during implementation.

Given the context presented, we believe that the establishment of a dedicated branch - "Refurbishment and Major Investment Branch (SRIM)", as an organizational tool for the delivery of the Unit 1 Refurbishment Project and, subsequently, for the management of other major investment projects and asset life management activities and the maintenance of project management know-how within the organization, represents the optimal solution for the successful and timely achievement of the objectives undertaken by SNN, by applying modern principles of governance, accountability and control for large-scale projects.

Moreover, we consider that the implementation of such a solution ensures the existence of an absolutely necessary balance between the U1 Refurbishment (and major projects in phase II) and maintaining the operation of the facilities in operation, avoiding affecting the operational focus and, at the same time, achieving a balance between the autonomy needed for project delivery and corporate discipline, protecting operational performance and nuclear safety. At the same time, it creates a scalable and reusable organizational base for the company's future strategic projects.

Consequently, the proposed measure, which is closely linked to international and WANO best practices, refers to the establishment of a dedicated branch as an organizational solution necessary for the delivery of the Unit 1 Refurbishment Project and for the long-term strengthening of SNN's internal capabilities in the field of major investments, and is also closely linked to the objectives undertaken by the Board of Directors through the approved 2023-2027 Management Plan and 2025-2030 Investment Strategy.

Therefore, the Branch that we propose to establish will have the mission to deliver the projects under its responsibility under conditions of nuclear safety, security and health protection as an absolute priority, through responsible leadership and efficient cooperation between all parties involved. By establishing such a branch, we intend to carry out the activity with a conservative approach in decision making, so that projects are carried out without significant events, with correct, compliant and fit-for-purpose technical solutions, delivered at a consistently high level of quality, within the agreed deadlines and

within the approved budgets, through disciplined and transparent use of resources. Therefore, by establishing the Cernavoda SRIM, the above-mentioned goals will be achieved without additional costs for SNN, by complying with the conditions of efficiency and effectiveness and, obviously, within SNN's budget (by maintaining and taking over the staff already employed in SNN and without adding to the management positions).

We mention that, following the approval and registration of the Branch whose establishment we submit to the endorsement of the Board of Directors of SNN, respectively to the approval of the EGMS of SNN, the necessary steps will be taken to adapt the organizational structure of SNN to the latest development phase of the Unit 1 Refurbishment Project.

In a first stage, we propose that the new branch will have as main objective the implementation of the Unit 1 Refurbishment Project, ensuring a clear separation from the current operating activity, as well as a decision-making and control framework adapted to the specific nature of the project. Subsequently, by developing and strengthening the necessary project management and owner's engineer capabilities, this structure will also be able to take over and manage other major investment projects in SNN's portfolio, as well as specific asset lifecycle management activities.

The Branch will be organized and will operate in accordance with the aspects presented in the Strategy for the Establishment of the Refurbishment and Major Investments Branch approved by the Board of Directors of SNN, will be called the Cernavoda Refurbishment and Major Investments Branch (SRIM) and will be registered (before the start of the activities described above and which are included in the scope of activity of Nuclearelectrica), with the Trade Register of Constanta County, its headquarters being proposed to be located in Cernavoda.

Also, Cernavoda SRIM, operational efficiency and consistency with the parent company's guidelines, will have a working point in Bucharest, Bulevardul Iancu de Hunedoara no. 48, 3rd floor, Sector 1, where the SNN's registered office is also located.

The management bodies and the organizational structure of the Cernavoda Refurbishment and Major Investment Branch (SRIM) will be appointed and adopted by the Chief Executive Officer of SNN, in compliance with the applicable laws and with the guidelines approved by the Strategy for the Establishment of the Cernavoda Refurbishment and Major Investment Branch.

The proposals submitted for approval by the Extraordinary General Meeting of Shareholders were previously endorsed by the Board of Directors of the Company.

4. Proposals Submitted for Approval by SNN EGMS

In view of the foregoing in relation to the competences conferred by law and the Articles of Association of Societatea Nationala Nuclearelectrica S.A., we submit for approval to the SNN EGMS:

- (i) Establishment of a SNN branch, named "Societatea Nationala Nuclearelectrica S.A. Bucuresti - Sucursala de Retehnologizare si Investitii Majore (SRIM) Cernavoda", which will operate in accordance with the applicable legal regulations and the Articles of Association of the parent company, SNN, with the purpose of carrying out the economic activities specified in its founding document (articles of association) (CAEN Code 3511);
- (ii) Registration of the Cernavoda SRIM branch with the Constanta Trade Register, with the registered office at the address: str Medgidiei nr. 2, Office Building for the U2 PIF staff, Cernavoda, Constanta county, having as main activity the production of electricity (CAEN Code 3511).
- (iii) The duration of the Cernavoda SRIM Branch shall be unlimited, with the possibility of expansion or reduction of activities, depending on the company's needs and the economic and legal conditions in force;
- (iv) The carrying out by the Cernavoda SRIM branch of its activities within the same financial structure of the parent company, to be financed from parent company resources, without establishing a separate share capital;

(v) Ensuring the management of the Cernavoda SRIM Branch by a Branch Manager, appointed by the SNN CEO, who will be responsible for the management and coordination of the economic activities carried out within the Cernavoda SRIM Branch, according to the mandate/duties entrusted by the SNN CEO;

(vi) Establishment by Societatea Nationala Nuclearelectrica S.A. of a working point at the address: Bulevardul Iancu de Hunedoara nr. 48, registered in the land register no. 233413, with cadastral number 233413, in the Crystal Tower building, located on the 3rd floor, sector 1, Bucharest, to be managed by Cernavoda SRIM, having the main activity of the company (CAEN Code 3511).

(vii) Mandating the Board of Directors of SNN, with the possibility of sub-delegation to the executive management of SNN, to carry out all the formalities/actions required by law for the filing/notification of the SNN's EGMS resolution at the competent territorial Trade Register Office, as well as to carry out any other formalities and sign any other documents in relation to this resolution and to those mentioned therein.

Endorsed by,

Cosmin Ghita
CEO

Daniel Adam
CFO

Mihai Laurentiu Gioara
Chief Development Officer and Participations Management

Vlad Chiripus
Head of Legal and Corporate Governance Directorate

Manuela Stan-Olteanu,
Head of Shareholding Management Department