



No. DCFM_SCA-26-01927-19-05-2026

**Chairman of the Board of Directors
Laurentiu Nicolae Cazan**

Note

On the approval by the Ordinary General Meeting of SNN Shareholders of the Report on the 2025 Collective and Individual Review of SNN's Directors Activity, in accordance with the provisions of Article 30(7[^]1) of the Government Emergency Ordinance 109/2011

I. General

In accordance with the provisions of Article 30(7[^]1) of the Government Emergency Ordinance 109/2011 on the corporate governance of State-Owned Enterprises, as subsequently amended and supplemented, the General Meeting of the Company's Shareholders has the power to put to vote the annual reports on the review of the directors' activity (as prepared in accordance with the provisions of Article 30(7) of the same regulatory act), the opinion of SNN's shareholders resulting from the vote being binding in nature.

II. Presentation of the Report on the 2025 Collective and Individual Review of SNN's Directors Activity

According to the provisions of the Articles of Association of SNN, 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 are 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.

As a State-owned enterprise, in matters of corporate governance, SNN complies with the provisions of the Government Emergency Ordinance no. 109/2011, the Article 30(7) and (7[^]1) of which introduces the GMS obligation to review on an annual basis the activity of the company's

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

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directors and – after approval – to submit the relevant review reports to the Agency Monitoring and Assessing the Performance of State-Owned Enterprises, for the latter to carry out its specific duties:

Article 30(7) The activity of directors shall be reviewed on an annual basis by the general meeting of shareholders, with the support of experts in such appraisals, as the case may be. The review covers performance of both the mandate contract and the administration plan.

(7¹) The review reports concerning the directors shall be submitted to the Agency Monitoring and Assessing the Performance of State-Owned Enterprises (AMEPIP) within 15 days of the date of their approval by the general meeting of shareholders. The review reports shall be submitted to AMEPIP and shall be used in future procedures conducted to renew the mandate contract of the directors thus appraised.

In the pursuit of its powers under the applicable legislation (Article 34(2) of the Government Emergency Ordinance no. 109/2011 and Principles A.4 and A.5 of the Bucharest Stock Exchange Corporate Governance Code) and under the internal regulatory documents (Article 9(1) of the Internal Regulations of SNN's Advisory Committees), the Board of Directors of SNN and the Nomination and Remuneration Advisory Committee have commenced the selection procedure for an expert to conduct a professional review and to provide the General Meeting of Shareholders with an independent, documented, and relevant review on how SNN's directors, individually and as a collective body, have carried out their duties to provide strategic guidance, supervision, control, and accountability towards the company and its shareholders.

In 2025, the composition of the Board of Directors of SNN varied further to fault-free revocation of certain members (OGMS Resolution no. 5 / 24.04.2025) and to the subsequent conduct of the selection procedure for the vacant positions on the Board (during the procedure, provisional directors were appointed in accordance with the time limits set out in Article 29¹ of the Government Emergency Ordinance no. 109/2011).

Against this exceptional backdrop, and in order to comply with all review requirements stemming from the applicable legislation (Government Emergency Ordinance no. 109/2011, Government Decision no. 639/2023, Law no. 24/2017 and BSE Corporate Governance Code), the 2025 review of SNN directors' activity was documented in a set of reports structured as follows:

1. **Reports on the Board of Directors' Collective Activity Review:** four reports were prepared to review the BoD's collective activity, for the four periods in which the composition of the Board was different (namely one report for each of the periods: 1 January - 24 April 2025, 24 April - 23 September 2025, 24 September - 23 November 2025 and 24 November - 31 December 2025);
2. **Individual Activity Review Reports for the Directors** who, in 2025, held permanent director offices: 13 (thirteen) individual activity review reports were prepared.

The review process was conducted, and the abovementioned reports were prepared, by independent experts, with certified skills and relevant experience in assessing the corporate governance process. The review was conducted using the service provider's proprietary methodology and the documents made available by the company. It integrated the initial desk review with insights gathered from standardized questionnaires applied to the Board members, direct interviews, and additional documentation concerning the Board's operations, the work of the advisory committees, the key performance indicators, the risk management, and the Board members' professional profiles.

When interpreting the Report's overall conclusions, one must take into account the exceptional circumstances of 2025, specifically the frequent turnover in Board membership and the revisions made to the key performance indicators. As to the implementation of the Administration Plan, the review found that the Board actively pursued its committed objectives, regardless of the transition between the old and new office frameworks.

The documents reviewed evidence an efficient implementation, particularly in the essential dimensions of powers, operation and decision-making, internal control and risk management, including governance (transparency towards investors).

The conclusions of the review report on the collective activity of the Board in office, structured depending on the methodological dimensions subject to review, are as follows:

1. The Board of Directors have proven a strong ability to provide strategic guidance and structured oversight, having unanimously validated the medium-term administration plan and institutionalized the ESG risks by approving a dedicated strategy and appointing specialized auditors. Financial performance has been continuously monitored by reviewing the monthly performance reports, with more than ten documented references to budget and treasury overruns, thus ensuring alignment with the annual objectives without substituting the operating management. The frequency of the meetings has met the minimum legal requirements, with one session in December focused solely on defining the trading strategy and establishing the ESG committee. This underscores the sustainable prioritization of the corporate agenda as the financial year drew to a close;
2. Validation of the independent status of five out of the seven board members strikes a robust decision-making balance and exceeds the minimum regulatory threshold, thereby strengthening objectivity in collective decision-making processes. Developing and updating the Board's profile document, which was actively integrated into the selection process, evidence a structured approach to addressing the specific competencies required in the nuclear sector. The internal matrix of skills is operationally utilized to monitor coverage across the financial, operational, legal, and safety areas. This is backed by complementary expertise reflected in the Board members' profiles, including reactor physics expertise, academic training in nuclear energy, specific technical certifications, audit and corporate governance experience in other listed companies, high-level legal competencies, and executive continuity in operations. A broad age distribution and a strong mix of public, private, and international experience ensure administrative continuity and the intergenerational exchange of best practices throughout the permanent office;
3. The Board of Directors has proven a strong operational momentum and consistent procedural discipline, conducting six sessions during the review period, with full quorum compliance and steady attendance from all members. The Board's active engagement resulted in a debate participation rate that exceeded standard benchmarks, fostering a critical review of the strategic and operational matters. Independent stances and reasoned abstentions were thoroughly documented, while differences of opinion were reconciled through technical amendments, thus ensuring well-balanced decisions. Strict adherence to the time limits for statutory reporting to the supervisory authorities and proactive publication of transparency disclosures underscore a mature, compliance-driven corporate culture;
4. The exclusively non-executive makeup of all advisory committees ensures a clear separation between oversight and operational management, with independent executive officers chairing four of the five specialized structures. The Audit Committee Chair, who is independent and

possesses a strong financial background, helped strengthen the operations by driving the selection of an internationally recognized group auditor. Additionally, by redirecting the budget debates to the committee, he streamlined decision-making at Board level. Reporting activities concluded with the issue of the annual reports for the Audit and Remuneration committees in December 2025, which were explicitly incorporated into the Board of Directors' minutes. Furthermore, the debate on the nuclear safety oversight report and the review of the investment plan for the upcoming financial year by the specialized technical committees confirm the effectiveness of the pre-BoD filtering mechanism. The meetings focused on reviewing the remuneration structure and contractual compliance supported a substantial committee involvement in preparing the final decisions;

5. The Board of Directors strengthened its internal control and risk management framework, explicitly integrating the risk appetite into the corporate governance code and implementing a structured analysis across the operational categories. In December 2025, the Board members demonstrated direct engagement in overseeing compliance and the risk profile, endorsing the Audit Advisory Committee's periodic reports and approving the multi-year programme of audit activities. The internal audit function operates with a clear functional reporting line, backed by a charter updated during the fiscal year. Furthermore, operational management fully accepted all identified recommendations, and maintained a historically high rate for addressing the deficiencies. The organizational culture mirrors a proactive approach to integrity; incidents are handled transparently in internal registers with no indications of suppression or delays in pursuing the corrective actions;
6. The current reporting practice on the regulated market was consolidated by filing twenty-seven disclosures during the financial year, supported by a dedicated investor relations function and a structured web section that ensures continuous access to financial data. The corporate governance statement reflects a consistent application of the comply-or-explain principle, with all seventy principles being reviewed individually and any identified non-compliances being transparently justified against the constraints of the specific legal status. Shareholder validation of the internal policies was put in place by a favourable voting rate exceeding ninety percent for wage adjustments, explicitly aligned with the statutory caps; this confirms a functional dialogue and direct owner approval mechanism;
7. The Board of Directors has proven a high level of maturity in integrating sustainability at the strategic and operational levels, thus consolidating an annual report fully aligned with the CSRD and ESRS standards, subject to external assurance, and approved as a single package. The double materiality analysis was actively carried out, with distribution of dedicated tools and the establishment on 18 December 2025 of the ESG Committee, which has already passed concrete decisions and submitted them for validation. The monthly monitoring of the social and HR indicators under performance reports reviewed directly by the Board ensured continuous oversight of the working conditions and nuclear safety, supported by operational decisions on the organizational structure and the development strategies.

In a nutshell, the report notes the mature functioning and consistent procedural discipline of SNN's Board of Directors, as well as the positive effect that the composition of the Board's decision-making structure has on the skills mix (coverage of the financial, operational, legal and security areas, supported by complementary backgrounds in reactor physics, technical certifications and audit/governance experience in other listed entities). Strategic and financial oversight was provided on an ongoing basis, with validation of the medium-term administration plan and a detailed analysis

of more than ten documented references regarding budget and treasury overruns, without substituting the operating management.

The areas for improvement identified by the expert do not concern strategic aspects of the Board's activity, but mainly aim at creating documentary and digital tools that can help:

- a) processing the significant amount of information that the Board and its advisory committees must assimilate when substantiating their decisions;
- b) a standardized and proactive response to any budget overruns.

Based on the elements reviewed and the scoring applied to the 7 methodological dimensions, the 2025 activity of SNN's Board of Directors in office was assigned a consolidated score of 4.07 out of 5, which places the Board in transition from the rating "Very good" towards the standard of excellent performance. In the reviewer's opinion, the Board has been effective, well organized and well led, with robust collegial functioning and a relevant contribution to the company's governance and performance. The Report did not identify – at either collective or individual level – any major shortcomings or dysfunctions that could affect the collegial functioning of the Board.

III. Proposals submitted to the approval of the General Meeting of Shareholders

In light of the above, in accordance with the provisions of Article 30(7) and (7¹) of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-Owned Enterprises, as subsequently amended and supplemented, we hereby request the Ordinary General Meeting of Shareholders:

To approve of the Report on the 2025 Collective and Individual Review of the Activity of the Directors of S.N. Nuclearelectrica S.A.

Appendix no. 1 – Report on the 2025 Collective and Individual Review of the Activity of the Directors of S.N. Nuclearelectrica S.A.

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