



No.

ENDORSED BY

**Chairman of the Board of Directors
Teodor Chirica**

NOTE

on the approval by the Extraordinary General Meeting of Shareholders of the following:

(i) the conclusion of an addendum to the Framework Agreement no. 519/16.04.2024, having as object “Management, technical assistance, consultancy and staff training services, necessary for the preparation and implementation of the Cernavoda NPP Unit 1 Refurbishment Project”, between SNN, as Purchaser and Canadian Nuclear Partners S.A., as Provider, and

(ii) empowering the CEO of SNN to approve non-substantial changes to the Framework Agreement, during its implementation, in accordance with the provisions of Law no. 99/2016, except for changes leading to an increase in the contract price in other situations than by strictly applying the hourly rate indexation clause provided for in the framework agreement and to sign the Addenda to the Framework Agreement no. 519/16.04.2024 which include these non-substantial changes, on behalf of the Company

I. Presentation of the background

As of the date hereof, the Refurbishment Project Unit 1 from Cernavoda NPP is in Phase 2, which started immediately after the approval of the Investment Decision (Decision of the EGMS no. 4/23.02.2022, point 2) and shall be concluded in July 2027 when the Unit shall be closed for Refurbishment purpose.

One of the important contracts concluded by SNN in Phase 2 is the Framework Agreement no. 519/16.04.2024, according to which a foreign company with recent expertise in refurbishments of CANDU power plants (Ontario Power Generation Inc. - OPG) makes available to SNN a specialists' team which could ensure the coordination of the activities and technical assistance both in Phase 2 (current phase), and in Phase 3, until the Unit is put into commercial operation.

The relevant stages regarding the above-mentioned Framework Agreement are the following:

- The initiation of the procurement was approved by the Board of Directors of SNN by **Decision no. 116 dated 25 May 2023**. Tender procedure applied: Competitive negotiation;
- The contract notice was published in SEAP on **16 July 2023**;
- On **11 September 2023**, the request for participation was submitted by the economic operator Canadian Nuclear Partners S.A. (CNPSA) having as subcontractor Kinectrics Nuclear Romania SRL and as supporting third party Ontario Power Generation Inc.
- On **12 October 2023**, the General Manager of SNN approved the Interim Report by which the bidder CNPSA was selected for the second stage;

- On **6 November 2023** the initial technical and financial offer was submitted;
- Following the clarifications and subsequent negotiations, on **31 January 2024**, CNPSA submitted the final technical and financial offer with a maximum value of **CAD 358,919,984.22** (the equivalent of **EUR 243,616,360.70**);
- As at **3 April 2024**, the General Manager of SNN approved the award procedure report and on **4 April 2024**, ANAP issued the final Unconditional Assent no. 9511/5118/DGCECMSS/CN1057421/04.04.2024;
- On **19 April 2024**, the Framework Agreement was signed by both parties, its entry into force being conditioned the EGMS approval;
- By Resolution no. 6 of **25 April 2024** (item 2), the Extraordinary General Meeting of Shareholders (EGMS) of SNN approved the investment decision regarding the conclusion of the Framework Agreement;
- On the basis of the Framework Agreement, 3 subsequent contracts were concluded, which ensure the support of several categories of OPG experts in accordance with the current plan and needs of the Cernavoda NPP U1 Refurbishment Project.

II. Justification of the need for, and advisability of the contractual amendment proposed for approval

The proposed amendment consists in rewording the text of Article 9.3(1) of the Framework Agreement as presented below:

Current text	Modified text
The Promissory Provider has the obligation to ensure the presence at the Cernavoda NPP of the experts who are the subject of a Subsequent Contract on the date and for the period set in the Subsequent Contract in question, but no later than thirty [30] Days from the signing of the Subsequent Contract by both contracting Parties	The personnel (experts) of the Promissory Provider shall start providing services on the Cernavoda NPP site within maximum thirty [30] Days from the date of the last signature on the Subsequent Contract or within maximum thirty [30] Days from the date specified in the mobilization plan mutually accepted by both Parties.

The context that generated the need for this change is the following:

Chapter 7 – Delivery/Execution Deadline and Time for Completion, subitem (8), of the Descriptive Documentation published in SEAP, included the following provision: *“The Provider's personnel (experts) requested through a Subsequent Contract will begin providing services within a maximum of 30 days from signing the Subsequent Contract”, with the following mention “The conditions in this chapter may be subject to negotiation.”*

Therefore, the deadlines in this chapter were discussed with the bidder in the negotiation stage and a reformulation was agreed, which would offer more flexibility to both parties and better meet the needs of the Project, while ensuring the most efficient use of the budget allocated for this contract. These aspects were recorded in the Negotiation Minutes no. 466/16.01.2024 between SNN and CNPSA, and in the Final Technical Proposal submitted by CNPSA on 31 January 2024 (at page 176), which was declared compliant by the SNN commission.

Due to an error, the change described above was not taken over and reflected in the final form of the Framework Agreement. By letter CNPSA_SNN519_018 R01 of 18 September 2024, the provider requests the correction of this error by concluding an addendum to the Framework Agreement.

The proposed amendment has no financial impact.

In legal terms, the amendment is **non-substantial** in accordance with the provisions of Article 240(2) and (3) of Law no. 99/2016, in conjunction with Article 7 of the ANAP Instruction no. 1/2021, considering that the following conditions are cumulatively met:

- a) the amendment does not introduce conditions that, if they had been included in the initial award procedure, would have allowed the selection of candidates other than those initially selected or the acceptance of an offer other than the one initially accepted or would have attracted other participants to the award procedure;
- b) the amendment does not change the economic balance of the framework agreement in favour of the contractor in a way that was not foreseen in the public procurement contract/initial framework agreement
- c) the amendment does not considerably expand the scope of the framework agreement;
- d) the initial contractor is not replaced under conditions other than those allowed by law.

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

- (i) the conclusion of an addendum to the Framework Agreement no. 519/16.04.2024, having as subject matter “Management, technical assistance, consultancy and staff training services, necessary for the preparation and implementation of the Cernavoda NPP Unit 1 Refurbishment Project”, between SNN, as Purchaser and Canadian Nuclear Partners S.A., as Provide, under the conditions detailed in the Note submitted to the shareholders and the empowerment of the CEO to sign the Addendum, on behalf of the Company;
- (ii) empowering the CEO of SNN to approve non-substantial amendments to the Framework Agreement, during its implementation, in accordance with the provisions of Law no. 99/2016, except for changes leading to an increase in the contract price in other situations than by strictly applying the hourly rate indexation clause provided for in the framework agreement and to sign the Addenda to the Framework Agreement no. 519/16.04.2024 which include these non-substantial amendments, on behalf of the Company. Also, the CEO of SNN will be authorized to delegate this task, in whole or in part, to the Manager of the Cernavoda NPP Branch.

Cleared by,

CEO
Cosmin Ghita

CFO
Vasile Dascalu

Director of Legal Directorate
Vlad Chiripus

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