



CERTIFIED MANAGEMENT SYSTEM
ISO 37001

SNN no.

CLEARED BY,

Chairman of the Board of Directors
Teodor Minodor Chirica

NOTE

on the approval by the Extraordinary General Meeting of Shareholders (“EGMS”) of S.N. Nuclearelectrica S.A. (“SNN”) of (i) the commencement by Ropower Nuclear S.A. (RPN) of the negotiations with US EXIM for the taking out from this Bank of a credit facility of approximately USD 98 million, which is needed to finance the RPN-executed contracts pertaining to the FEED 2 Stage, based on the Commitment Letter issued by US Exim on 15 October 2024, containing including the Term Sheet; (ii) the granting by SNN (as Guarantor) in favour of US Exim (as Creditor), for RPN (as Obligor), of guarantees with the aim of securing in principle the US Exim credit facility to be taken out by RPN as per the above, and (iii) the authorization of the SNN representative in the Extraordinary General Meeting of the RPN Shareholders to vote, for and on behalf of the shareholder SNN, on the approval of the commencement by RPN, of the negotiations with US EXIM for the taking out from this Bank of a credit facility of approximately USD 98 million, which is needed to finance the RPN-executed contracts pertaining to the FEED 2 Stage, as well as to vote on the taking out by RPN of a guarantee from SNN, in relation to the abovementioned US Exim credit facility.

I. Approval Powers

As to approval of the granting of guarantees, pursuant to the provisions of Article 13(4)(b) of the Articles of Association of SNN, the Extraordinary General Meeting of Shareholders resolves on the taking out by the Company of any types of loans or loan-like indebtedness or liabilities, up to the limits of powers provided in Annex no. 1 to the Articles of Association, where it is stated that the approval powers for granting of guarantees for loans in excess of EUR 50,000,000 shall rest with the General Meeting of SNN Shareholders.

According to the provisions of the Articles of Association of RoPower Nuclear Article 13.1.2 *Powers and duties of the Extraordinary General Meeting of Shareholders*, the Extraordinary General Meeting of Shareholders of RoPower Nuclear has the authority to approve:

- letter (a) “*execution by the Company of any contract that exceeds EUR 5,000,000 (five million EUR), including*”; and
- letter (b) “*execution by the Company of any loan agreements*”.

Regarding the approval of the voting mandate of the SNN representative in the EGMS of RoPower Nuclear S.A., by reference to the SNN Articles of Association, Article 13(3)(p), *mutatis mutandi*, the powers to approve such decisions lies with the SNN EGMS.

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Registered with the Trade Register under number: J40/7403/1998, Tax Reference Number: 10874881,

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

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II. General

In consideration of the project implementation strategy as approved in the SNN GMS on 22 September 2022, and after having obtained the corporate approvals in the SNN GMS on 18 July 2024, the project is currently in the FEED 2 Phase.

During the same SNN GMS meeting, the SNN GMS Resolution of 18 July 2024 was passed to approve the increase of the ceiling of the loan extended by SNN (as Lender) under the Framework Loan Agreement no. 1 dated 16 August 2023 up to the amount of USD 243,000,000, and also to approve the signing by SNN, as lender, of Addendum no. 3 to the Framework Loan Agreement no. 1 dated 16 August 2023, with the specification that RoPower Nuclear S.A. (as borrower) *shall only access this loan to the extent that it cannot raise financing for the SMR Project of Doicești from other sources (share capital, generated by changing the shareholding of RoPower Nuclear, or bank loans or other sources of financing) and, in any case, only until such other sources of financing would be identified.*

Under such circumstances, the Project Company RoPower Nuclear S.A. has accelerated its previous efforts intended at accessing other financing sources, such as potential credit facilities, focusing on more alternatives; currently, the process with US Exim has advanced the most, and concerns the extension of financing of approximately USD 98 million USD for the FEED Phase 2 contract with Fluor Corporation.

III. Background

In May 2023, US Exim provided RoPower Nuclear and Fluor with a Letter of Interest where they stated that US Exim would consider extending a loan of up to USD 99 million to finance the export contracts to be entered into by Fluor with RoPower.

In July 2023, the discussions concluded with RoPower filing the formal application to US Exim; the review was commenced in October/November 2023, when a new Relationship Manager was assigned to the transaction.

Then, the initial due diligence was performed and exploratory discussions were held with the US Exim representatives (August - October 2023), including about counter-guarantees and the shareholders' guarantees.

A topic that was extensively discussed was the securing structure of the transaction, which called for definition of a strategy that would identify alternatives acceptable for US Exim from a counter-guarantee issuer point of view; a number of scenarios were explored.

The subsequent discussions between representatives of SNN and RoPower with US Exim identified the alternative where SNN would directly and 100% secure a potential US Exim facility as acceptable and optimal in terms of costs and complexity.

Considering the matters above about the structuring of the potential transaction, an updated technical and financial due diligence was conducted on SNN RoPower/Fluor (as counterparty in the FEED Phase 2 contract) in August – September 2024.

After the successful completion of the abovementioned due diligence, as at 26 September 2024, the Board of Directors of US Exim authorized a potential financing of approximately USD 98 million under the EMP programme, for *“feasibility studies, pre-construction design, and engineering services from Fluor, NuScale, and Sargent & Lundy for RoPower Nuclear S.A.'s planned Small Modular Reactor ("SMR") in Doicești, Romania (FEED 2)”*.

Later, in October 2024, US Exim sent a **Commitment Letter _Annex 1** containing the **Term Sheet**.

The Commitment Letter _Annex 1, containing also the Term Sheet, will be made available to shareholders after execution of a Non-Disclosure Agreement and validation of their shareholder capacity as at the reference date of 9 December 2024, i.e. after the receipt of the Shareholders Register from Depozitarul Central,

according to the provisions of the template Non-Disclosure Agreement published on SNN website, page Investor Relations, GSM Information, the GSM first convened on 19 December 2024 and adjourned on 20 December 2024.

In November 2024, the commitment letters were submitted, with the proposal concerning the documentation of the EMP facility due to be submitted at a later date.

IV. Next steps

For the time being, from an operational point of view, the steps envisaged to be taken are as follows:

- ✓ RoPower and SNN to hire the services of a Documentation Agent;
- ✓ US Exim to prepare a first draft of the credit documentation;
- ✓ RoPower and SNN to submit the formal draft credit documentation to US Exim;
- ✓ Joint review of the draft credit documentation;
- ✓ Setting up the negotiation team;
- ✓ Negotiation sessions on the credit documentation and fine-tuning a draft agreed by all the parties involved;
- ✓ Hiring the “Process Agent”;
- ✓ Commencement and completion of the corporate process in RoPower and SNN to obtain the final approvals on the credit facility, including the guarantee from SNN;
- ✓ Signing and giving effect to the credit facility.

We point out that the amount of the financing extended by US Exim will be deducted from the amount of the ceiling granted by SNN, minus the borrowing costs, which will be covered by the granted ceiling.

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

In light of the above, we hereby submit the following for approval by the Extraordinary General Meeting of SNN Shareholders:

- (i) the commencement by Ropower Nuclear S.A. (RPN) of the negotiations with US EXIM for the taking out from this Bank of a credit facility of approximately USD 98 million, which is needed to finance the contracts executed by Ropower Nuclear S.A. for the FEED 2 stage, based on the Commitment Letter issued by US Exim on 15 October 2024, containing including the Term Sheet;
- (ii) the granting by SNN (as Guarantor) in favour of US Exim (as Creditor), for RPN (as Obligor), of guarantees with the aim of securing in principle the US Exim credit facility to be taken out by RPN as per the previous paragraph, subject to the terms of this Note, and based on the Commitment Letter issued by US Exim on 15 October 2024, which also includes the Term Sheet;
- (iii) the authorization of the SNN executive management to negotiate, for and on behalf of the SNN, with both RPN and Us Exim, the specific terms and conditions of the guarantee to be granted by SNN according to the content of this Note, the final draft of the credit facility agreement to be signed with US Exim, as well as the final draft of the guarantee agreement between RPN and SNN; at completion of the negotiations, all of the above will be submitted for approval by the SNN EGMS;
- (iv) the empowerment of the SNN representative in the RPN EGMS to vote (“for”/“in favour”), for and on behalf of the SNN shareholder, on:
 - a) approval of the commencement by RPN of the negotiations with US EXIM for the taking out from this Bank of a credit facility of approximately USD 98 million, which is needed to finance the contracts executed by Ropower Nuclear S.A. for the FEED 2 stage, subject to the terms of this note;

- b) approval of the taking out by RPN of a guarantee from SNN, related to the abovementioned US Exim credit facility, under the terms detailed in this Note;
- c) approval of the empowerment of the RPN Board of Directors, with the possibility of sub-delegation, to negotiate, for and on behalf of RPN, the documents and any other acts related to the abovementioned transactions, the final draft of the credit facility agreement to be signed with US Exim and the guarantee agreement to be signed by RPN with SNN; at completion of the negotiations, all of the above will be submitted for the approval by the shareholders of RPN and SNN;
- d) approval of the empowerment of the CEO of RPN or his replacement *de jure*, with the possibility of sub-delegation, to carry out any act or formality required by the law for the fulfilment of the resolutions passed in this regard, including their registration and publication at the Trade Register Office or any other public institution.

Annexes:

Annex 1_US Exim Commitment Letter - based on NDA and subject to the terms of this Note

Cleared by,

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