



No. 13464/12.11.2024

CLEARED BY
Chairman of the Board of Directors
Teodor Chirica

NOTE

concerning approval of (i) a number of amendments to the Financing Agreement of EUR 145 million with the European Investment Bank for the financing of the “Tritium Removal Plant of Cernavoda NPP” project and the re-signing of the Financing Agreement as thus amended, and (ii) the empowerment the SNN CEO and the SNN CFO to re-sign, for and on behalf of SNN, the abovementioned Financing Agreement with the European Investment Bank, with the amendments and subject to the terms detailed in this Note, and to carry out all the formalities and to sign all the documents needed to give effect to the abovementioned Financing Agreement.

1. Context Overview

S.N. Nuclearelectrica S.A. (“SNN” or the “Company”) kicked-off the necessary steps with the goal of obtaining a loan in amount of EUR 145 million From the European Investment Bank (“EIB”) having as purpose to finance the “Cernavoda NPP Tritium Removal Facility” project (“CTRF Project” or “Project”).

The investment project “Tritium Removal Plant of Cernavoda NPP” is strategic project of SNN and relates to the CANDU technology, and covers the management of the tritium which is created in heavy water as a result of the operating process.

According to the Project Implementation Strategy, as approved by Resolution no. 9 dated 22 August 2018 of the Extraordinary General Meeting of Shareholders, this investment project shall have a beneficial impact on the conduct of current operating activities, on the short, middle and long-term management of radioactive waste, on the measures and specific radioprotection programs and implicitly, on budgets which should be allocated for the adequate management and resolution of all issues mentioned above.

The initial relevant details of the Financing Agreement with the European Investment Bank have been submitted to the General Meeting of Shareholders of SNN with the Approval Note no. 12537/10.11.2023.

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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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On the 23rd of October 2024, the European Investment Bank proposed an amendment to the Financing Agreement, *i.e.* modification of the securing structure of loan as follows, with all the other clauses of the agreement remaining unchanged:

- Remove the initially-agreed cash collateral structure
- Include a Debt Service Reserve Account (“DSRA”) as of the time when Unit 1 Cernavoda NPP would be disconnected from the National Energy System over the duration of the Refurbishment Project

The proposed DSRA structure is as follows:

- SNN will deposit the higher of at least EUR 8,000,000 and 120% of the 6-month Debt Service into a bank account, in accordance with the requirements of the European Investment Bank, prior to the shutdown of Unit 1 of Cernavoda NPP for the Refurbishment Project
- Maintain the required amounts in the DSRA throughout the entire shutdown period of Unit 1 of Cernavoda NPP
- SNN will authorize the bank the DSRA is opened with to transfer to the European Investment Bank, at the latter’s request, the amounts payable under the Financing Agreement
- After the restart of Unit 1 of Cernavoda NPP and the operation of the Unit for 6 months, these amounts will be released

The European Investment Bank also proposed modification of the period of use from 36 months of the signing of the Agreement to 22 December 2026; this time reflects the period of use initially agreed at the signing of the Agreement and has no material impact on the financing.

2. Need for, and advisability, of the request

In the context of the need to ensure the financing sources required for Project implementation, SNN kicked-off the necessary steps to obtain a loan of EUR 145 million from the European Investment Bank.

The Financing Agreement between SNN and EIB was signed on the 22nd of December 2023, after having received approvals from the General Meeting of SNN Shareholders under the Resolution of Extraordinary General Meeting of SNN Shareholders no. 8/07.12.2023.

As on the 23rd of October 2024, EIB provided SNN with a proposal to amend the Financing Agreement, to the effect of changing the securing structure of the loan. SNN considers it is advisable to accept the amendments proposed by EIB in order to secure the necessary sources of financing for completion of the Project.

3. Clearance/approval powers

Amendment of the financing agreement and its re-signing need to be subject to clearance by the Board of Directors of SNN and to the approval by the General Meeting of Shareholders of SNN, considering the provisions of the Articles of Association of SNN, as follows:

- Article 13(4)(a) and (b) of the Articles of Association: *“In addition to the powers and duties mentioned under paragraph 3 above, established by law, the Extraordinary General Meeting of Shareholders resolves on the following issues:*
 - a) *Conclusion by the Company of any contract, taking up of any obligation or commitment that could involve expenses, or taking up any other important obligation by the Company, according to the limits of powers provided in Annex no. 1 to these Articles of Association.*

b) *Taking up the Company of any type of loans or loan-like liabilities or indebtedness according to the limits of powers provided in Annex no. 1 to these Articles of Association*

- Annex 1 to the Articles of Association: *“Taking out loans, no matter their duration, for a contract value higher than or equal to the amount of EUR 50,000,000, shall be endorsed by the Board of Directors and shall be approved by the General Meeting of Shareholders.”*

According to the law symmetry principle, since the abovementioned lending agreement was approved by the shareholders of SNN, any amendment thereto must be approved also by the SNN EGMS.

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

In the light of the above, we hereby submit the following proposals to the Extraordinary General Meeting of SNN Shareholders:

- Approval of a number of amendments to the financing agreement of EUR 145 million with the European Investment Bank for the financing the project “Tritium Removal Plant of Cernavoda NPP”, and approval of the re-signing of the abovementioned Financing Agreement, as amended, pursuant to the internal procedures of the European Investment Bank and subject to the terms of this Note;
- Approval of the empowerment the SNN CEO and the SNN CFO to re-sign, for and on behalf of SNN, the Financing Agreement of EUR 145 million with the European Investment Bank, for the project “Tritium Removal Plant of Cernavoda NPP”, with the amendments and subject to the detailed in this Note, and to carry out all the formalities and to sign all the documents needed to give effect to the abovementioned Financing Agreement.

Note: the essential characteristics below, as approved by the General Meeting of SNN Shareholders under the Resolution of the Extraordinary General Meeting of SNN Shareholders no. 8/07.12.2023, save for the Period of Use, will remain unchanged compared to their wording in the Approval Note no. 12537/10.11.2023

- *Amount:* EUR 145 million
- *Currency:* EUR
- *Term:* 15 years, of which 4 years represents the period of grace for payment of the principal instalments
- *Period of use:* Until 22 December 2026
- *Interest:* Fixed or Variable (at the Company's choice)
- *Analysis fee:* EUR 145,000 payable within 30 days from the Agreement signing date
- *Non-use fee:* 0.12% per year, payable after a period of 12 months of the Agreement signing date, and applicable to the unused amount of the loan
- *Principal and interest rate repayments:* Equal semi-annual instalments

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