



Endorsed by Decision of the Board of Directors no. dated,

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

**NOTE
regarding the endorsement of:**

a) The updated form of the addendum to the mandate contract of the non-executive directors of SNN, enclosed hereto; b) The updated form of the addendum to the mandate contract of the executive director of SNN, enclosed hereto; c) General limits of the remunerations of Executives of SNN; d) Empowerment of the state representative in the Ordinary General Meeting of Shareholders to sign the Addenda to the Mandate Contracts concluded by the members of the Board of Directors with the company; for the purpose of submitting for approval of the Ordinary General Meeting of Shareholders of Societatea Nationala Nuclearelectrica SA

In view of the aspects listed below:

- The mandate contracts concluded by the company with the SNN directors appointed under OGMS Resolution no. 6/10.08.2022 and, respectively, under OGMS Resolution no. 2/15.02.2023, containing under item 4.2 the following: *“This Contract shall be supplemented by an addendum that will include the variable remuneration, the objectives and financial and non-financial performance indicators established by the general meeting of shareholders, as well as those in the letter of expectations”*;
- The fact that according to item 6 of OGMS Resolution no. 6/10.08.2022 and item 5 of OGMS Resolution no. 2/15.02.2023, the monthly fixed gross allowance of the non-executive members of the Board of Directors of SNN was approved, as well as the amount of the variable component of the non-executive directors;
- The fact that according to item 7 of OGMS Resolution no. 6/10.08.2022, the monthly fixed gross allowance of the executive director of SNN was approved, as well as the approval of the variable component of the executive director;
- The provisions of Article 153¹⁸ of the Companies Law no. 31/1990, republished, as subsequently amended and supplemented (“Law no. 31/1990”), according to which:

Societatea Nationala NUCLEARELECTRICA S.A.

Bulevardul Iancu de Hunedoara 48, București 011745, Romania; Tel +4021 203 82 00, Fax +4021 316 94 00;
Registered with the Trade Register under number: J40/7403/1998, Sole Registration Code: 10874881,
Share capital subscribed and paid up: Lei 3,016,438,940.
office@nuclearelectrica.ro, www.nuclearelectrica.ro

“(1)Remuneration of the members of the board of directors or of the supervisory board is established under the articles of incorporation or by a resolution of the general meeting of shareholders. (2)Additional remuneration of the members of the board of directors or of the supervisory board in charge with specific positions within the respective body, as well as the remuneration of executives, in the single-tier system, or of the members of the management board, in the dual-tier system, shall be determined by the board of directors, respectively by the supervisory board. The articles of incorporation or the general meeting of shareholders determines the general limits of all remunerations paid in this manner. (3)Any other benefits may only be granted in accordance with para. (1) and (2). (4)The general meeting, respectively the board of directors or the supervisory board and, as the case may be, the remuneration committee shall ensure, upon determination of remunerations or other benefits, that they are justified in relation to the specific duties of the respective persons and to the economic condition of the company.”

- The fact that the Remuneration Policy of Societatea Nationala Nuclearelectrica S.A. was approved under item 8 of the Resolution of the Ordinary General Meeting of Shareholders no. 5/26.04.2021, in accordance with the provisions of Article 106 of Law no. 24/2017 on the issuers of financial instruments and market operations, republished, as subsequently amended and supplemented;
- The provisions of Article 30 (6) of the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, according to which: *“Financial and non-financial performance indicators, negotiated and approved by the general meeting of shareholders shall represent elements in relation to which the variable component of the remuneration is determined for the executives and directors of the company”*;
- The provisions of Article 37 of the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, according to which: *“(1)The remuneration of the members of the board of directors or, as the case may be, of the members of the supervisory board shall be determined by the general meeting of shareholders in the structure and limits provided for under para. (2) and (4). (2)The remuneration of the non-executive members of the board of directors or of the supervisory board consists of a fixed monthly allowance and a variable component. The fixed allowance cannot exceed two times the average gross monthly salary for the last 12 months for the activity carried out according to the registered main scope of business of the company, at a class level according to the classification of activities in the national economy, as communicated by the National Institute of Statistics prior to appointing. The variable component shall be based on financial and non-financial performance indicators, as negotiated and approved by the general meeting of shareholders, which are different from those approved for non-executive directors, determined according to the methodology provided at Article 3¹ para. (5), and which cover including the long-term sustainability of the company and ensuring observance of the good governance principles. The amount of the variable component of the non-executive members may not exceed a maximum of 12 fixed monthly allowances.(3)The remuneration of the executive members of the board of directors or of the supervisory board shall consist of*

a fixed monthly allowance which may not exceed 6 times the average gross monthly salary for the last 12 months for the activity carried out according to the main object of activity registered by the company, at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to appointing, and a variable component. The variable component will be based on financial and non-financial performance indicators, negotiated and approved by the general meeting of shareholders, different from those approved for non-executive directors, determined according to the methodology set forth in art. 3¹ para. (5) setting forth: [“The methodological norms developed by the Ministry of Public Finance together with the competent ministries carrying out duties of public tutelary authority for public companies shall approve the methodology for the determination of the financial and non-financial performance indicators and of the remuneration variable component.”]. (4) The remuneration variable component of the members of the board of directors or of the supervisory board shall be reviewed annually, depending on the level of achievement of the objectives included in the management plan and the degree of achievement of the financial and non-financial performance indicators approved by the general meeting of shareholders, in the form of an appendix to the mandate contract. (5) The general meeting of shareholders shall ensure, upon determination of the monthly fixed allowance of each member of the Board of Directors or, as the case may be, of each member of the supervisory board, established according to para. (2) and (4), that it is justified in relation to the specific duties, the responsibilities within certain advisory committees, to the number of meetings, objectives and performance criteria established in the mandate contract”;

- *The provisions of article 23 (2), (3), (4), (5), (6) and (7) of Appendix no. 2 to the Methodological Norms for applying the Government Emergency Ordinance no. 109/2011, according to which: “(2) The variable component of directors shall be determined depending on the degree of achievement of KPIs on short-, medium- and long-term, as negotiated and approved. (3) The short-term variable component is calculated and paid for a financial year. (4) The medium-term variable component is calculated and paid for two or three financial years. (5) The long-term variable component is calculated and paid for the entire four year term of activity (6) The method of calculation and granting of the variable component shall be negotiated with the public tutelary authority, shall be approved according to law and shall materialize in the appendix to the mandate contract. (7) The variable component shall be paid in lei. Within public companies the shares of which are traded on a regulated market, for executive directors, the payment may be made by a call option of a negotiated number of shares at the market price.”*
- *The provisions of art.13 (2) letters e) and f) of the updated Articles of Incorporation of SNN, according to which: “The main duties of the Ordinary General Meeting of Shareholders are: [...] e) establishes the general limits of the remunerations of the Managing Director and of Executives; f) sets the remuneration of the members of the Board of Directors, as well as the terms and conditions of the mandate contract concluded with the members of the Board of Directors”;*
- *The provisions of Article 3 para. (2) letters (f) and (g) of the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, according to*

which “The public tutelary authority has the following powers: f) to empower its representatives in the general meeting of shareholders to negotiate and approve the financial and non-financial performance indicators for the board of directors; g) to monitor and assess through corporate governance structures its own financial and non-financial performance indicators attached to the mandate contract;

The mandate contracts concluded between the Company and the non-executive directors and the executive director, as well as the mandate contracts concluded by the Company with executives set forth a remuneration variable component established based on the financial and non-financial performance indicators determined at the company level in correlation with the short-, medium- and long-term objectives, specified in the letter of expectations made within the selection process of directors and executives with mandate contract, conducted according to the Government Emergency Ordinance no. 109/2011.

Appendices comprising the (operational and corporate governance) financial and non-financial performance indicators are included in the draft addendum to the contract of the non-executive, respectively, executive directors and are an integral part thereof.

The following proposals are formulated:

The variable component of the remuneration of non-executive directors and the executive directors is proposed to be granted in accordance with the Remuneration Policy of of Societatea Nationala Nuclearelectrica S.A., approved by Ordinary General Meeting of Shareholders no. 5/26.04.2021.

As regards the general limits of the remuneration variable component which may be granted to Executives of the company, the proposal shall be that they should be within the limits of the amounts approved for the executive director under item 7 of the OGMS Resolution no. 6/10.08.2022, considering the following issues:

- (i) in case of nuclear power plants, the top management positions similar to those of Executives require the maintenance of a normal correlation between the remuneration of such positions and the other positions within the company;
- (ii) the fact that SNN is a producer of nuclear energy with a certain specificity resulting in an extremely important responsibility toward the population, environment and staff;
- (iii) the permanent maintenance of a high level of nuclear safety in all phases of performance and operation of nuclear objectives and facilities is of vital importance and constitutes the first priority for SNN. SNN has developed and respects a nuclear safety policy that was approved by NCNAC, in order to maintain a high and constant level of nuclear safety in all phases of the commissioning and exploitation process of nuclear installations. The nuclear safety policy provides guarantees of good execution for all important activities regarding nuclear safety, in all phases of implementation and exploitation of nuclear installations. This document confirms that nuclear safety has the highest priority.
- (iv) SNN has in progress an extensive programme of development and upgrading of the nuclear energy industry at standards of excellence;
- (v) The production of electricity from nuclear sources, performed by SNN by operating the production facilities within the company at a top use ratio covering approximately 20% of the total quantity of electricity produced in Romania, shall be ensured according to the requirements of excellence in the world energy industry, recognized worldwide - WANO

Given the above, we submit for endorsement, for the purpose of submission for approval of the Ordinary General Meeting of SNN Shareholders, the following:

1. The form of the addendum to the mandate contract of non-executive directors of SNN, enclosed hereto;
2. The form of the addendum to the mandate contract of the executive director of SNN, enclosed hereto;
3. The general limits of remunerations of SNN Executives under mandate contract within the limit of the amounts approved for the executive director under item 7 of the OGMS Resolution no. 6/10.08.2022;
4. The empowerment of the state representative in the Ordinary General Meeting of Shareholders to sign the Addenda to the Mandate Contracts concluded by the members of the Board of Directors with the company.

General Director
Cosmin GHITA

Finance Director
Dan Niculaie FARANGA

Deputy General Director Corporate Services
Laura CONSTANTIN

Director of the Legal Directorate
George Codrut TUDOR

Manager of the Human Resources Strategy Directorate
Laura Daniela BLAGA

Drafted by,
Human Resources Strategy Directorate
Liviu Dumitru Radu GHEORGHIU