



NUCLEARELECTRICA

No.

ENDORSED BY
Chairman of the Board of Directors
Teodor Chirica

NOTE

on approval of SNN conclusion of the financing agreement amounting to EUR 145 mil with the European Investment Bank for financing the "Cernavoda NPP Tritium Removal Facility" Project

1. Presentation of the background

S.N. Nuclearelectrica S.A. ("SNN" or "Company") started up the necessary steps with a view to obtaining a loan in amount of EUR 145 mil. From the European Investment Bank ("EIB") having as purpose to finance the "Cernavoda NPP Tritium Removal Facility" project ("CTRF Project" or "Project").

CTRF Project represents a strategic project of SNN, as it is a project related to the CANDU technology, which is concerned with 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.

By Resolution no. 5/05.07.2023 of the Ordinary General Meeting of Shareholders of Nuclearelectrica S.A. National Company, it was approved the modification of the Implementation Strategy of the "Cernavoda NPP Tritium Removal Facility" Investment Project as a result of the update of the investment value based on the price increase indices between 2018 and 2022 and by including some additional costs, which had not been initially envisaged. Thus, the above-mentioned Resolution of OGMS approved the increase of the approved investment value to the amount of EUR 254,092,262.

NUCLEARELECTRICA S.A. National Company

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Registered with the Trade Register under number: J40/7403/1998, Tax Identification Number: 10874881,
Subscribed and paid-up share capital: RON 3,016,438,940.
office@nuclearelectrica.ro, www.nuclearelectrica.ro

2. Need and opportunity of the request

In the context of the need for ensuring the financing sources necessary for the Project implementation, SNN started up the necessary steps with a view to obtaining a loan in amount of EUR 145 mil. From the European Investment Bank.

EIB sent SNN a summary of the commercial conditions proposed in relation to the loan, and such conditions should be subject to the approval of the Board of Directors of EIB, which would be held on 15 November 2023.

3. Endorsement / approval powers

The conclusion of the financing agreement needs to be subject to the endorsement of the Board of Directors of SNN and approval of the General Meeting of Shareholders of SNN, considering the provisions of the Articles of Incorporation of SNN, as follows:

- Art. 13(4)(a) and (b) of the Articles of Incorporation: *“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 power provided in Appendix no. 1 to these Articles of Incorporation.*
 - b) *Taking up the Company of any type of loans or debts or obligations of the loan type according to the limits of powers provided in Appendix no. 1 to these Articles of Incorporation;*
- Appendix 1 to the Articles of Incorporation: *“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.”*

4. Proposals subject to the endorsement of the Board of Directors of SNN and approval of the Extraordinary General Meeting of Shareholders of SNN

In the light of the above and considering the endorsement, respectively approval powers laid down under item 3 of this Note, we hereby submit the following proposals for endorsement by the Board of Directors, for their further submission for approval of the Extraordinary General Meeting of Shareholders:

- a) The approval of conclusion by SNN of the financing agreement with the European Investment Bank (“Agreement”), for financing the “Cernavodă NPP Detrition Facility” Project, having the following essential features:
 - Value: 145 mil. EUR
 - Currency: EUR
 - Duration: 15 years, of which 4 years representing the grace period for

the payment of the principal instalments

- Period of use: 36 months from the Agreement signing date
- 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 from the Agreement signing date, being applicable to the undrawn amount of the loan
- Principal and interest rate repayments: Equal semi-annual instalments

- b) Authorization of the Chief Executive Officer and of the Chief Financial Officer of SNN for the purpose of negotiating the provisions of the Financing Agreement, within the limits and under the commercial conditions presented under Item a) and for the fulfilment of all formalities and signing the necessary documents for concluding the Agreement.
- c) Authorization of the Board of Directors of SNN for the approval of the negotiated form of the Agreement.
- d) Subject to the approval of the Agreement by the Board of Directors of SNN, the authorization of the Chief Executive Officer and of the Chief Financial Officer of SNN for signing the Agreement and other documents in relation to the Agreement.

CEO

Cosmin Ghita

Chief Financial Officer

Dan Niculaie - Faranga

Deputy General Director Corporate Services

Laura Constantin

Head of the Investment Development Department

Roxana Tompea

Director of Legal Directorate

George Codrut Tudor