



SNN no. 4032/28 March 2024

Cleared by,
Chairman of the Board of Directors
Teodor Minodor Chirica

NOTE

regarding the endorsement by the Board of Directors of S.N. Nuclearelectrica S.A. (“SNN”), for further submission for approval by the Extraordinary General Meeting of Shareholders, of the establishment of a working point of Societatea Nationala “Nuclearelectrica” S.A. in Village of Rascolesti, Commune of Izvorul Barzii, Calea Targu Jiului, km 7, County of Mehedinti, Administrative pavilion building, 3rd floor, room no. 3

1. Powers to endorse/approve the establishment of a SNN business unit

Pursuant to the relevant provisions of the SNN Articles of Association (as updated), the powers to approve the establishment of a SNN business point rest with SNN’s EGMS, under Article 13(3)(d) of SNN’s Articles of Association – *“The Extraordinary General Meeting of Shareholders (“EGMS”) has the right to decide on “establishment or termination of secondary offices: branches, agencies, representation offices or other similar units without own legal personality”.*

According to the provisions of the Company Law no. 31/1990, according to art. 113 letter d: "The extraordinary general meeting shall meet whenever it is necessary to pass a resolution for: d) the establishment or dissolution of secondary offices: branches, agencies, representative offices or other such units without legal personality, unless the articles of association provide otherwise;"

2. Background and opportunity

Whereas

- The opportunity to resume the heavy water production in Romania, in a context where the global demand for heavy water is continuously growing and Romania can be a strategic player,
- In September 2023, S.N. Nuclearelectrica (SNN) and Laurentis Energy Partners (LEP), a subsidiary of Ontario Power Generation (OPG), entered into a Memorandum of Understanding for a strategic collaboration, including in terms of production and supply of heavy water, which is used by the CANDU reactors as a moderator and coolant and can also be used in a growing number of non-nuclear applications, including in the pharmaceutical industries and IT,

In November 2023, under a CEO Decision, SNN established the **Task Force of the Project “Bringing the Heavy Water Plant of Halanga, Drobeta Turnu Severin, back into operation”**, with the aim of reviewing the technical and economic feasibility, as well as the best ways to take over, and bring back into operation, the Heavy Water Plant of Halanga, Drobeta Turnu Severin. This Task Force will also take the necessary steps for preparation of the studies needed to determine the project’s feasibility (Feasibility Study, Detailed Technical Design, Detailed

Societatea Nationala NUCLEARELECTRICA S.A.

Bulevardul Iancu de Hunedoara 48, Bucharest 011745, Romania; Phone +4021 203 82 00, Fax +4021 316 94 00;

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office@nuclearelectrica.ro, www.nuclearelectrica.ro

Engineering, etc.), and will carry out all the activities required for implementation of the project, including provision of the necessary information to underpin these studies before a decision is made on whether to make this investment or not, as well as the following project implementation activities.

The opportunity of initiating the Project “Bringing the Heavy Water Plant of Halanga, Drobeta Turnu Severin, back into operation” stemmed from the developments on the international market in terms of the growing demand for heavy water, and of the worldwide limited heavy water production capacity.

Recent announcements about the development of the nuclear industry, with construction of new CANDU plants in Canada, as well as of the business sectors using non-nuclear grade heavy water, show an increase in the demand for heavy water at international level.

Also, RAAN - SRP, the only Romanian heavy water producer, is in liquidation and there is an opportunity that a large share of its heavy water production technology could be taken over and put in operation.

3. The need to establish a SNN business unit

Having in view the main activities carried out and the results obtained so far, as well as the fact that the next steps of the project require an active presence of SNN on site, in order to provide, in an efficient manner, the needed interfacing with local authorities, the local community and other stakeholders, the establishment of a SNN business unit - without legal personality is advisable, on the ROMAG Prod site, in order to ensure a communication channel and a continuous flow of information allowing for real-time data processing and reporting, with a view to rendering the project’s implementation schedule more efficient.

As to the actual arrangement of this unit, this will be handled by the Task Force appointed by Decision of SNN’s CEO. The Task Force will submit proposals regarding the business unit organization and its interfacing with SNN.

4. Proposals submitted for SNN’s EGMS approval

Considering the above, with a view to advancing the implementation of the Project “Bringing the Heavy Water Plant of Halanga, Drobeta Turnu Severin, back into operation”, we hereby submit the following for the Extraordinary General Meeting of Shareholders’ approval:

1. Approval of the establishment of a working point of Societatea Nationala “Nuclearelectrica” S.A. in Village of Rascolesti, Commune of Izvorul Barzii, Calea Targu Jiului, km 7, County of Mehedinti - Administrative Building, 3rd floor, Room no. 3.
2. Mandate the SNN Board of Directors to carry out all the formalities for setting up the working point, with the possibility of delegating to any other person who will be designated, in this capacity, by decision of the SNN Board of Directors.

Cosmin Ghita
CEO

Romeo Urjan
Chief Technical and Nuclear Safety Officer

Vlad Chiripus
Director of the Legal Division

Roxana Tompea
DDI Director