



CERTIFIED MANAGEMENT SYSTEM
ISO 37001

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 increase of the loan facility granted by SNN to RoPower Nuclear S.A. up to the amount of USD 243,000,000 and, at the same time, the approval of the conclusion, by SNN with RoPower Nuclear S.A., of the Addendum to the Framework Loan Agreement signed in 2023, the signing, by SNN with RoPower Nuclear S.A., of an Addendum to the Movable Mortgage Agreement signed by SNN with RoPower Nuclear S.A., in order to guarantee the above mentioned loan and certain delegations of authority for the executive management of SNN in relation to the above mentioned, of (ii) the SNN representative's mandates in the Extraordinary General Meeting of the Shareholders of RoPower Nuclear S.A. to participate in the EGMS and to vote in favour of the adoption and implementation of the above-mentioned resolutions and of certain delegations of authority to the management of RoPower Nuclear S.A. for the purpose of implementing these decisions, as well as (iii) of the mandates of the representative of SNN in the General Meeting of the Shareholders of RoPower Nuclear S.A. for the approval of the conclusion of contracts related to the FEED Phase 2 stage of the Small Modular Reactors Project (“SMR”) and of certain delegations of authority for the fulfilment of this resolution

I. Approval authorities

According to the provisions of the Articles of Incorporation 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 Incorporation, Article 13, para. (3) letter p), mutatis mutandi, the authority to approve such decisions lies with the SNN EGMS.

With regard to the **approval of the increase of the loan facility** contracted by RoPower Nuclear S.A. with SNN up to the amount of USD 243,000,000, according to the provisions of Article 13 para. (4) of the Articles of Incorporation of SNN, the EGMS has the authority to approve investment decisions, contracts, loans and

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Share capital subscribed and paid up: RON 3,016,438,940.

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various operations at the level of the company, in accordance with the authority limits provided in the Appendix to the Articles of Incorporation, i.e. for amounts in excess of EUR 50,000,000.

II. General

According to the provisions of Article 13(2)(h) of the updated Articles of Incorporation of Societatea Nationala Nuclearelectrica (SNN), the General Meeting of Shareholders “approves the Company’s development strategies and policies”.

Thus, under its **Resolution No. 8/22.09.2022**, the General Meeting of Shareholders approved the deployment strategy for the Small Modular Reactors (“SMR”). This considered the international good practices, that is to allocate significant funds in the pre-project preparation stages with a view to providing a proper staging-out the project, that would support making a final investment decision:

- **Stage 1 – FEED Phase 1:** with planning activities, studies/surveys, engineering and design that contain the elements of essence for project scoping, by reference to the specific local requirements;
- **Stage 2 – FEED Phase 2:** will build on, and develop, the Stage 1 elements with the aim of preparing a set of deliverables as needed for the completion of the project cost estimation (Class 3), the initial safety analysis report (ISAR), obtaining the early building permits, the environmental impact assessment (EIA), the detailed site characterization, and preparation for the plant’s operation;
- **Stage 3 – Engineering, Initial Procurement Phase, Site preparation:** filing for the building permit, getting the building permit, construction site mobilization and site preparation. The detailed design is largely completed, so are the essential works needed to prepare the site for commencing the building of the plant;
- **Stage 4 – Construction:** this stage commences with the Full Notice to Proceed decision gateway and covers most of the construction activities;
- **Stage 5 - Commissioning:** it involves module installation and fuel loading;
- **Stage 6 – Commercial Operation:** starts with the first energy sale day in the market.

a) Current status of the Project

Subsequent to obtaining the approvals mentioned above, the FEED Phase 1 stage was kicked-off, during which a number of contracts/agreements were concluded for preparation of the engineering and design studies related to this stage, as needed for project scoping, by reference to the specific site requirements and the licensing and regulatory requirements applicable to the SMR technology.

So far, the FEED Phase 1 stage included commencement of several activities, including commencement of the Project notification procedures before the competent authorities in order to setup up work interfaces that would foster performance of activities in the next stages.

The deliverables related to FEED Phase 1 stage were also produced and finalized and concerned matters such as the site specific impact by reference to the plant engineering, preparation of the standard specifications for site specific design, site plan updating, updating of some plant engineering and 3D modelling aspects, specific design requirements and impact on the local community.

This stage was dedicated to developing the scope and execution strategies to the level of maturity that allowed the development of a cost estimate with AACE Class 4 accuracy.

b) FEED Phase 1 stage

Regarding the budget and related contracts signed for the implementation of this stage, to support the Project in order to carry out FEED Phase 1 stage and to substantiate the conclusions of FEED Phase 1, we mention the following:

1. **Technical assistance contract signed with NuScale - FEED phase 1;**
2. **The technical assistance contract signed by RoPower Nuclear Project Company with RATEN-CITON to provide consulting and engineering services as “Owner's Engineer”;**

At the same time with the activities related to the FEED Phase 1 stage, technical contracts were also in progress to complement and substantiate the conclusions of FEED Phase 1, such as:

3. **The preliminary seismic hazard analysis**, the results of which suggest that, from a seismic hazard point of view, the site is suitable for the NuScale SMR project;

4. **The contract concluded with NuScale for the preparation by NuScale of the Licensing Basis Documentation (LBD)**, with a view to devising the regulatory framework for the Project; the Study was approved by CNCAN with the Letter No. 3936 of 22 August 2023;

5. **The location study for the SMR NuScale Doicești site**, the results of which confirmed the absence of any capable seismic faults on the site, as well as the absence of liquefaction potential on site, as defined in the applicable IAEA standards.

6. **The pre-feasibility study**, elaborated in order to substantiate the decision to continue the SMR project and the contractual steps to be materialized in this respect;

Under the **Resolution No. 6/4.12.2023** of SNN Ordinary General Meeting of Shareholders, the transition from FEED Phase 1 stage to FEED Phase 2 stage of the Small Modular Reactors (SMR) Project was approved. The continued development of the project to initiate the FEED Phase 2 stage and to accomplish the purpose undertaken by the activities in this stage implies the conclusion of a set of contracts and agreements to secure the proper development of the nuclear project, as well as to guarantee the rights acquired, including intellectual property rights on the technology used in the FEED Phase 2 stage.

c) **LNTP stage**

In view of the continuity of the Project, in relation to the implementation strategy approved by the Resolution no. 8/22.09.2022 of the Ordinary General Meeting of the Shareholders of SNN, as well as the advanced stage of implementation of the Project, until the actual initiation of the FEED Phase 2 stage, it was considered appropriate to transition the Project to the "Limited Notice to Proceed" (LNTP) stage. Carried out before entering FEED Phase 2 stage and without access to NuScale proprietary information, this transition stage requires the involvement of subcontractors in order to mobilize and prepare the stage phase of the Project.

III. Need and opportunity of the continued development of the Project

The Small Modular Reactors (SMR) project is a priority project for SNN and is included in the Company's development strategy; its implementation will provide significant support to the national electricity generation capacity, the stability of the National Energy System (SEN) with load addition, development of the domestic industries by localizing SMR production and services, and development of a SMR-based industrial platform.

Considering the advanced stage of implementation of the Project, following the FEED Phase 1 stage, namely the "Limited Notice to Proceed" (LNTP), the continuation of the Project development marked by the entry into the FEED Phase 2 stage becomes imminent, being considered necessary and opportune according to the phasing assumed in the implementation strategy approved by the **Decision no. 8/22.09.2022** of the Ordinary General Meeting of SNN Shareholders.

IV. Risk analysis

The risk assessment report is contained in Appendix no. 5 and addresses in detail the status of the risks.

V. FEED Phase 2 stage, steps for the continuation of the Project

By the SNN OGMS Resolution no. 6/4.12.2023 the transition from FEED Phase 1 stage to FEED Phase 2 stage of the SMR Project was approved, with the perspective of initiating certain preliminary steps prior to entering FEED Phase 2 stage, which are the subject of this note - defining the FEED 2 sub-stages, determining

the FEED 2 budget, finalizing the list of contractors and the contractual architecture, financing details and implementation schedule.

Contractual architecture

Taking into account the completion of the FEED Phase 1 stage and the LNTP stage, the entry of the Nuclear Project in FEED Phase 2 stage and the agreement of the terms and conditions of the contractual terms applicable to the relationship with Fluor (the entity that will lead the activities specific to this stage) and with NuScale (an essential subcontractor in the project development) satisfy the objectives assumed by RoPower in relation to the development of the Nuclear Project. In this regard, the agreements securing the relationship with the two entities, as well as RoPower's rights in the development of the Nuclear Project are to be signed, and securing the necessary financing for the implementation of these stages is essential for the fulfilment of the objectives assumed according to the above.

Overall, FEED Phase 2 is supported by the following contractual documents.

A. Conclusion of FEED Phase 2 Contracts

By way of introduction, we mention that the FEED Phase 2 Offshore and Onshore Contract may be subject to modifications that will not affect the commercial agreement set out below.

A.1. FEED contract Phase 2 Offshore¹

Technical aspects. Scope of Work.

The FEED Phase 2 contract contains all the activities that Fluor must undertake to achieve the objectives listed below, so that at the end of FEED 2, these objectives will be met:

- Preliminary Completion of the Site Specific Design;
- Completion of the Class 3 Project Cost Estimate (PCE);
- Completion of the ISAR Report and Euratom Notification;
- Obtaining Building Permits;
- Environmental Impact Assessment;
- Site Characterization;
- Preparing the Feasibility Study in accordance with the requirements of Government Resolution No. 907/2016;
- Operations Readiness: An Operations Readiness Plan covering topics such as the creation of operations manuals, guides, procedures and operator training materials will be developed at the beginning of Phase 2 FEED;

These activities are included in the Appendix Schedule B to the FEED Phase 2 Contract and were submitted to the CTES RoPower Nuclear S.A. meeting on 15 February 2024², receiving a favourable opinion.

We mention that these activities will have a duration of up to 15 months, according to the latest data expressed by Fluor and reflected in the appendices to the contract.

Contractual aspects

In essence, the FEED Phase 2 Contract, together with the Appendices thereto, establish the legal framework applicable to the design and engineering services provided in the FEED Phase 2 stage and is based on Fluor's

¹ **Appendix no. 1** - FEED contract Phase 2 Offshore, together with Schedule B - U.

qualifications, experience and expertise in providing such services, necessary for the development and implementation of the Nuclear Project.

Consequently, the FEED Phase 2 stage contractual architecture is configured as follows:

1. Object

According to the FEED Phase 2 Contract, Fluor undertakes to provide to RoPower Nuclear the design and engineering services necessary for the implementation of the Nuclear Project, namely for the development of a small modular reactors nuclear power plant.

The provision of these services shall be in accordance with best practices in the field of nuclear utilities, as well as the conditions and specifications established by RoPower Nuclear, including safety, cyber and information security and non-proliferation standards. In this respect, Fluor is obliged to provide qualified and experienced managerial and senior technical support staff.

2. Amount

The value of the services rendered by Fluor will be established on the basis of the number of hours of activity (work) performed in the performance of the contract and on the basis of the costs actually incurred by the provider.

At this time, the estimated value of the services governed by the FEED Phase 2 Contract is USD 156,340,606. However, taking into account the fully reimbursable nature of the costs involved in the execution of the FEED Phase 2 Contract, as well as the possibility for the parties to agree on subsequent changes to the scope or the time schedule of the Contract (by Variation Order and the conclusion of an additional act to the FEED Phase 2 Contract), the total amount of the Contract may be increased accordingly.

Upon completion of the FEED Phase 2 services, the parties agree to perform a reconciliation based on the costs involved and the hours actually worked.

The value of the LNTP contract, as well as the value of the FEED Phase 2 Onshore contract will be subtracted from the value of the FEED Phase 2 contract.

A.2. FEED contract Phase 2 Onshore³

The FEED Phase 2 activities will materialize also through the signing of a contract between RoPower and Fluor Transworld Services Bucharest Branch, an entity having its registered office in Romania.

This is due to the fact that some FEED Phase 2 services will be sub-contracted to Romanian legal entities, and this mechanism will allow RoPower to optimize its budget (being in the interest of both parties to have favourable terms and conditions in this regard).

Thus, we mention that the FEED Phase 2 services carried out with Fluor Transworld Services Bucharest Branch are the following:

³ Appendix no. 2 - FEED contract Phase 2 Onshore, together with Schedule B – U

The main purpose of the Feed 2 On- Shore Contract, is represented by all the activities necessary to be done by Fluor in relation with subcontractors registered in Romania, in order to achieve the General Objectives of the FEED2 - Off Shore Contract.

The contractual terms and conditions of the FEED Phase 2 Onshore Contract are substantially identical to those of the FEED Phase 2 Offshore Contract, the only material differences being the contractual clauses related to the tax treatment, which emphasize the tax implications resulting from the relationship between the two Romanian legal entities.

We reiterate that the value of the FEED Phase 2 Onshore Contract is included in the value of the FEED Phase 2 Offshore Contract, as explained in the previous subsection.

B. Financing necessary for the conclusion of the agreements - increase of the loan facility granted by SNN and agreement of the Special Conditions related thereto

B.1 Introductory aspects

RoPower is a project company, and ensuring an adequate financing structure for the company's needs depends entirely on the direct support (financing) and/or indirect support (guarantees) of the shareholders.

The existence of full financing is also a prerequisite for RoPower to assume any contractual obligations towards third parties.

The project company, in permanent coordination with the representatives of the shareholders and the members of the Board of Directors, has supported the continuous efforts of all parties involved in the materialization of potential sources of financing. In this respect, RoPower has carried out the process of identifying, structuring and negotiating potential credit facilities; RoPower has continuously and substantially supported the founding shareholders' effort to attract top equity partners to the project.

Given that the rapid commitment to FEED2 (plus the related engineering activities and the smooth running of the project company) is a strategic objective, it is necessary to secure the initial financial support from SNN (commitment / loan facility) to enable the initial assumption of these commitments. Subsequently, it is likely to put in place financing operations on both equity and debt, which have the potential to reduce the need to use the SNN loan facility as soon as they become available. It is possible, depending on the final terms and conditions of the potential financing facilities, to also initiate a partial refinancing of the amounts drawn.

It should also be noted that the amounts used by RoPower from SNN's loan facility will be subject to a debt to equity conversion at the time of a future capital increase of RoPower Nuclear, reducing proportionally SNN's financial effort at that time of the capital increase with existing shareholders or attracting new shareholders.

In all this context, the quickest scenario in terms of availability of initial financial support and which offers maximum comfort in terms of keeping the project on the critical path, SNN's total exposure to RoPower would materialize in the following form:

- Approximately USD 243M in loans
- Approximately USD 4M in capital contribution

This scenario may, however, be influenced by the following potential developments:

1. Access to credit facilities from local/international banks;
2. RoPower capital increase made by co-opting new shareholders - such a capital increase involves both a contribution in kind (land) and a cash contribution.

B.2 Increase of the loan facility granted by SNN and agreement of the Special Conditions in relation thereto

Taking into account the activities envisaged in the coming period, including in view of the signing of the FEED Phase 2 Contracts and the agreements that will govern the relationship with NuScale, RoPower Nuclear will require an increase in the loan facility provided for in the Framework Loan Agreement no. 1 entered into between RoPower and Societatea Nationala Nuclearelectrica S.A. on 16 August 2023 (the Framework Loan Agreement), as updated by Addendum 1 of 10.01.2024, from the amount of USD 22,000,000 to the amount of USD 243,000,000.

In this regard, we specify that the above request arises from the Company's need to finance (i) the FEED 2 stage, which is estimated to take place during Q2-Q4 2024, (ii) Technology License (TLA) costs, (iii) FEED 2 Contingency, (iii) other engineering costs (iv) operational expenses.

In view of the foregoing, RoPower considers that both the execution of an addendum to the Framework Loan Agreement and the execution of Special Loan Conditions, including the increase of the loan facility granted by SNN and the modification of the loan's intended use, are necessary to cover the Company's immediate needs, as described above.

With a view to approving the execution of Addendum no. 3 to the Framework Loan Agreement no. 1 entered into between RoPower and Societatea Nationala Nuclearelectrica S.A. on 16 August 2023, as well as the Special Conditions applicable to the loan thus granted, we submit in Appendix no. 3 the proposals for the agreements to be entered into with Societatea Nationala Nuclearelectrica S.A. in this respect.

B.3 Execution of Addendum no. 3 to the Movable Mortgage Agreement signed between RoPower and SNN, related to the loan granted in connection with FEED Phase 2 stage

The loan granted by SNN to RoPower Nuclear will be secured by a movable mortgage on all intellectual property rights acquired or to be acquired by the Mortgagor under the FEED Phase 2 Contract, as well as on all deliverables supplied by Fluor in which these intellectual property rights are incorporated, in compliance with all rights and obligations of the parties arising from the conclusion and, respectively, the performance of the contract, pursuant to Article 2389 letter (e) of the Civil Code.

The movable mortgage established will guarantee the repayment by RoPower Nuclear to SNN of the amount borrowed from the Mortgage Lender under the Loan Agreement to be concluded, as well as all interest, commissions, penalties and expenses related thereto and/or to the enforcement of the Mortgage Agreement. This aspect will be materialized by the conclusion of Addendum no. 3 to the Movable Mortgage Agreement signed on 16 August 2023⁴.

VI. Proposals submitted to the approval of the Extraordinary General Meeting of SNN Shareholders

In the context of the above, taking into account SNN's status as shareholder of RoPower Nuclear S.A., we submit the following proposals to the approval of SNN shareholders:

1. Approval of the mandate of the SNN representative in the General Meeting of Shareholders of RoPower Nuclear S.A. to attend and vote in favour ("for") the following:
 - i. Approval of the conclusion of the FEED contract Phase 2 Offshore;
 - ii. Approval of the conclusion of the FEED contract Phase 2 Onshore;
 - iii. Approval of the authorization of the Chairman of the Board of Directors and/or the General Manager of the company to sign, in the name and on behalf of RoPower Nuclear S.A., the contracts mentioned in letters i) - ii);
 - iv. Approval of the empowerment of the General Manager of RoPower Nuclear S.A., with the possibility of

⁴ **Appendix no. 4** - Addendum no. 3 to the Movable Mortgage Agreement

sub-delegation, to fulfil any act or formality required by law for the fulfilment of the resolutions adopted in this respect, including their registration and publication at the Trade Register Office or any other public institution;

- v. Mandating the Board of Directors of RoPower Nuclear S.A. to decide, within the total amount approved for the FEED Phase 2 Offshore and FEED Phase 2 Onshore stages, to modify the budget structure of the related contracts, as well as other minor modifications in the structure and content of these contracts, resulting as necessary following negotiations between RoPower Nuclear S.A. and the contractual partners, within the total budget allocated and approved for the Project and correlated with the availability of financing resources.
2. Approval of the increase of the loan facility granted 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, at the same time, the approval of the signing by SNN, as lender, of Addendum no. 3 to the Framework Loan Agreement no. 1 dated 16 August 2023, with the mention that the access to this loan will be made by RoPower Nuclear S.A. (the borrower) only to the extent that it is not possible to secure the financing of the SMR Project in Doicesti from other sources (share capital, generated by changing the shareholding structure of RoPower Nuclear S.A., or bank loans/loans or other sources of financing) and, in any case, only until such other sources of financing are identified;
 3. Approval of the conclusion between SNN and RoPower Nuclear S.A. of Addendum no. 3 to the Movable Mortgage Agreement signed between SNN and RoPower Nuclear S.A. as collateral for the above mentioned loan;
 4. Mandate the executive management of SNN to negotiate and sign, in the name and on behalf of SNN, as lender and, at the same time, mortgage lender, the contracts mentioned in points 2 and 3 above, as well as all other related documents necessary for the implementation of this resolution;
 5. To authorize the executive management of SNN to sign any addenda to the two contracts mentioned in points 2 and 3 above, provided that they fall within the limits of the credit line thus granted and in compliance with the approvals given by this resolution;
 6. Approval to mandate the SNN representative (to be appointed by SNN's executive management for this purpose) in the General Meeting of Shareholders of RoPower Nuclear S.A., on the date/dates on which it will be convened, meeting that will have on the agenda the items that will be detailed below, to attend and vote in favour ("for") the following:
 - a) Approval of the increase of the loan facility contracted by RoPower Nuclear S.A., as borrower, from SNN, as lender, under the Framework Loan Agreement no. 1 dated 16 August 2023 up to the amount of USD 243,000,000, and the signing by RoPower Nuclear S.A. with SNN of Addendum no. 3 to the Framework Loan Agreement no. 1 dated 16 August 2023, with the mention that the access to this loan will be made by RoPower Nuclear S.A. only to the extent that it is not possible to secure the financing of the Project from other sources (share capital, generated by changing the shareholding structure of RPN, or bank loans/loans or other sources of financing) and, in any case, only until such other sources of financing are identified;
 - b) Approval of the conclusion between SNN and RoPower Nuclear S.A. of Addendum no. 3 to the Movable Mortgage Agreement signed between SNN and RoPower Nuclear S.A. as collateral for the above mentioned loan;
 - c) Approval of the authorization of the General Manager of RoPower Nuclear S.A. to sign, in the name and on behalf of RoPower Nuclear S.A., the contracts mentioned in letters a and b, and any addenda thereto, up to the limits of the credit line subject to this resolution and the limits of the general terms and conditions approved for the granting thereof, by this resolution;
 - d) Approval of the empowerment of the General Manager of RoPower Nuclear S.A., with the possibility of sub-delegation, to fulfil any act or formality required by law for the fulfilment of the resolutions adopted in this respect, including their registration and publication at the Trade Register Office or any other public institution.

Cleared by,

Cosmin Ghita

CEO

Vasile Dascalu

CFO

Vlad Chiripus

Roxana Tompea

Director of the Legal Directorate

Head of the Investment Development Department

APPENDICES:

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| Appendix no. 1 | FEED contract Phase 2 Offshore, together with Schedule B – U |
| Appendix no. 2 | FEED contract Phase 2 Onshore, together with Schedule B – U |
| Appendix no. 3 | Addendum no. 3 to the Framework Loan Agreement no. 1 dated 16. August 2023, together with the applicable Special Conditions |
| Appendix no. 4 | Addendum no. 3 to the Movable Mortgage Agreement signed with SNN |
| Appendix no. 5 | Risk Analysis |