



NUCLEARELECTRICA



Approved,

Robert Iulian Tudorache
Chairman of the Board of Directors

NOTE

regarding the approval of the amount insured related to the professional liability insurance policy for the Company's Directors with mandate contract

I. General Considerations/Competence

Considering the following provisions:

- OUG [Government Emergency Ordinance] no. 109/2011 regarding the corporate governance of public companies;
- HG [Government Decision] no. 722 of c approving the Methodological Norms for the application of the provisions of Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public companies;
- Art. 21 let. b) of ANNEX no. 1b - Mandatory elements of the mandate contract of Annex 1 to HG no. 722/2016 - METHODOLOGICAL NORMS of 28 September 2016 [...] OUG no. 109/2011 regarding the corporate governance of public companies, whereby [it is recommended to introduce in the contract the following clauses:] ***"the contracting and payment method for a professional liability insurance, including the maximum amount insured"***;
- Provisions of art. 18 of the Mandate Contract: ***"The Administrator should be insured by means of a professional liability insurance. The payment of the premiums for this insurance, whose value shall be approved in the general meeting of shareholders, shall be done by the company and shall not be deducted from the remuneration due to the administrator"***.

With Resolution no. 2/24.04.2017 of the Ordinary General Meeting of Shareholders of SNN, the insured amount related to the professional liability insurance for the company's Directors was approved, according to the Note communicated to the Shareholders, i.e. the amount of EUR 21,000,000 in total for SNN's BD members (determined as a product between the individual limit of EUR 3,000,000 and the number of BD members), to which the liability limit for Managers with a mandate contract (determined as a product between the individual limit to be approved by the general meeting of shareholders and the number of Managers with a mandate contract) shall be added, for the professional liability insurance/civil liability policy of SNN Directors and Managers. At that time, the liability limit per event and in total was annually set to EUR 27,000,000, being sized based on the obligation of SNN to observe the Directors' and Managers' mandate contracts, respectively, which provide for an individual allowance limit of EUR 3,000,000, correlated with a number of 9 insured persons (7 members of the Board of Directors and 2 Managers).

Pursuant to the symmetry principle, any change of the amount insured should be approved by the same forum that approved it originally, in our case, by the General Meeting of Shareholders.

National Company NUCLEARELECTRICA S.A.

65 Polona Street, District 1, 010494, Bucharest, Romania; Tel +4021 203 82 00, Fax +4021 316 94 00;

Trade Register Order No.: J40/7403/1998, Sole Registration Code: 10874881

Subscribed and paid up share capital: Lei 3,015,138,510

office@nuclearelectrica.ro, www.nuclearelectrica.ro

II. Presentation of the Issue

Currently, for SNN the Directors' and Managers' Civil liability insurance policy no. 571005961/07.10.2017 is in force. The validity of the insurance policy expires on 09.07.2018. The insurance policy was concluded with the observance of the statutory provisions and the decisions of the statutory bodies in force, whereby the Company is required to conclude for the executive and non-executive Directors, as well as for the Managers, a D&O (Managers and Officers Liability) type of professional liability insurance policy.

The liability limit per event and in total is annually set to EUR 27,000,000, being sized based on the obligation of SNN to observe the Directors' and Managers' mandate contracts, respectively, which provide for an individual allowance limit of EUR 3,000,000, correlated with a number of 9 insured persons (7 members of the Board of Directors and 2 Managers). Annex 1 to the insurance policy contains the nominal list of SNN's BD members and Managers with mandate contracts (General Manager and Financial Director). Although the nominal list was supplemented with the deputy general managers appointed by SNN's Board of Directors Resolution no. 206/13.12.2017, the liability limit per event and in total annually is EUR 27,000,000 has not been modified.

Considering the following:

- It is necessary to set, by means of the company's general meeting of shareholders, the maximum insured amount related to the professional liability insurance policy (i.e. the allowance limit in aggregate and individual for each insured person) - an element to be determined before the initiation of the purchase procedure for professional liability /civil liability insurance services of SNN Directors and Managers;
- Considering that currently nothing occurred to justify the amendment of the individual allowance limits, but only the amount insured as a result of the completion of the number of director positions having a mandate contract;
- The need to maintain the continuity of the D&O type of insurance,

we submit for the approval of the Ordinary General Meeting of Shareholders the proposal of maintaining the insured amount of EUR 21,000,000 in aggregate for SNN's BD members (determined as a product between the proposed individual limit to be maintained at the level of EUR 3,000,000 and a number of BD members, i.e. 7 members), adding thereto the liability limit for Managers with mandate contract (determined as a product between the individual limit to be approved by the general meeting of shareholders, proposed to be maintained at the level of EUR 3,000,000, and the number of Managers with mandate contract, i.e. 4 Managers) for the professional liability/civil liability insurance policy of SNN Directors and Managers.

III. Proposals subjected to the approval of the Ordinary General Meeting of Shareholders

Considering the foregoing, we submit for the approval of the Ordinary General Meeting of Shareholders the amount insured related to the purchase of "Professional liability /civil liability insurance services of SNN Directors and Managers" for the period 10.07.2018 – 09.07.2019, of EUR 33,000,000 of which EUR 21,000,000 in aggregate for SNN's BD members (determined as a product between the proposed individual limit to be maintained at the level of EUR 3,000,000 and a number of BD members, i.e. 7 members), adding thereto the liability limit for Managers with mandate contract of EUR 12,000,000 (determined as a product between the individual limit to be approved by the general meeting of shareholders, proposed to be maintained at the level of EUR 3,000,000, and the number of Managers with mandate contract, i.e. 4 Managers) for the professional liability/civil liability insurance policy of SNN Directors and Managers.

Cosmin Ghiță
General Manager

Dan Laurentiu Tudor
Deputy General Manager