



**ENDORSED,  
Board of Directors  
President  
Alexandru Sandulescu**

## **NOTE**

### **on the approval of the updating of Appendix 1.1. and Appendix 1 to the administration contracts concluded between the administrators and the company**

- Documentation for item 12 on the agenda of the OGMS/29.04.2015 -

#### **1. General aspects/Competences**

In accordance with the legal provisions in force, the General Meeting of Shareholders has the competence to approve the updating of Appendix 1.1. and Appendix 1 to the administration contracts concluded between the administrators and the company.

The applicable legal basis is represented by:

- Law no. 31/1990 republished as subsequently amended;
- Government Emergency Ordinance no.109/2011 on the corporate governance of public companies as subsequently amended;
- The administration contract concluded between the company and the administration.

#### **2. Presentation**

The article 4 of the administration contracts concluded between the administrators/directors and the company provides that *"In order to execute/fulfill the object of this Administration Contract, the Administrator will carry out all the actions necessary for the administration of the company's assets in the company's behalf for fulfilling the object of activity and will perform its tasks set for it in the Articles of Incorporation and in this Administration Contract with a view to fulfilling the objectives and performance criteria set out in Appendix 1 to this, along with the other members of the Board of Directors, and /or annually reviewed, as appropriate, within 30 days after the budget approval /revision date. "*

**Also, article 9 provides the following:** *"The Administrator undertakes, along with other directors to carry out the administration plan and fulfill GSM decisions in order to achieve the objectives and performance criteria set out in Appendix 1 to this Administration Contract. The performance criteria and targets apply over the entire period of the administrator's mandate and the values of the performance indicators will be annually updated in accordance with the budget provisions. "*

Thus, considering that the budget has been submitted for approval to the General Meeting of Shareholders and out of considerations stated in the underlying note of the budget, the anticipated results for the year are below those projected in the administration plan for the year 2015, the Appendix 1.1. of the administration contracts is proposed to be updated according to the levels of the performance indicators and criteria harmonized with the proposed 2015 budget. At the same time, the updating of Appendix 1 for the year 2015 is also proposed.

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### **3. Proposals**

**Given the above, we submit to the approval of the Ordinary General Meeting of Shareholders, the following:**

- a) **the updating** of Appendix 1.1. to the contracts concluded between the administrators and the company, including the updating of the level of the performance criteria and indicators and their breakdown by quarters for the current year 2015, according to the budget for 2015, as per the Annexes to the current note;
- b) **the updating** of Appendix 1 to the administration contracts concluded between the directors and the company including the updating of the level of the indicators and performance criteria for 2015, as per the Annexes to the current note.

**Daniela Lulache**  
**CEO**

**Mihai Darie**  
**CFO**

## Appendix 1 to the Administration Contracts

No.	Objective/Performance indicators	Measurement	MU	Weight	2015	2016	2017
<b>Improvement of the indicators regarding the financial performance of the Company</b>							
1	Annual turnover	Row 01 Form 20 Balance	Million RON	0,20	1.790	2.181	2.290
2	Annual operating profit	Row 36 Form20 Balance	Million RON	0,20	58	394	449
3	Overdue payments	Row 04 Code 30 Balance	Thousand RON	0,10	13	100	100
4	Labor productivity	Turnover/average number of staff	Thousand RON/person	0,10	829	1.012	1.063
5	Operating expenses at 1.000 lei turnover	(Operating expenses/turnover) * 1000	RON	0,10	976	829	813
<b>Execution of the major investment objectives</b>							
6	Execution of the annual value plan of investments (as per table 28 and the annual budgets)	Value of achieved investments/value of planned investments	%	0,15	Min. 90%	Min. 90%	Min. 90%
<b>Maintenance of the electricity production capacity above the average level in the industry</b>							
7	Installed capacity factor	Achieved production MWh/Maximum design production MWh	%	0,10	Min. 80%	Min. 80%	Min. 80%
<b>Operation of the nuclear units in safe conditions for the personnel, the population, the environment and the production assets</b>							
8	No operating events above level 1 on the International Nuclear Event Scale, concerning the damage of the in depth defense barriers, onsite and off-site impact.	Cernavoda NPP		0,05	0 events over 1 on the INES scale	0 events over 1 on the INES scale	0 events over 1 on the INES scale

## Annexe 1.1. to the Administration Contracts

No.	Objective/Performance indicators	Measurement	MU	Weight	Q I	Q II	Q III	Q IV	2015
<b>Improvement of the indicators regarding the financial performance of the Company</b>									
1	Turnover (cumulated since the beginning of the year)	Row 01 Form 20 Balance	Million RON	0,20	465	861	1.322	1.790	<b>1.790</b>
2	Operating result (cumulated since the beginning of the year)	Row 36 Form 20 Balance	Million RON	0,20	37	7	33	58	<b>58</b>
3	Overdue payments	Row 04 Code 30 Balance	Thousand RON	0,10	21	19	16	13	<b>13</b>
4	Labor productivity (cumulated since the beginning of the year)	Turnover/average number of staff	Thousand RON/person	0,10	215	399	612	829	<b>829</b>
5	Operating expenses at 1.000 lei turnover (cumulated since the beginning of the year)	(Operating expenses/turnover) * 1000	RON	0,10	927	1.000	983	976	<b>976</b>
<b>Execution of the major investment objectives</b>									
6	Execution of the annual value plan of investments cumulated since the beginning of the year (Table 28 and the annual budgets)	Value of achieved investments/value of planned investments	%	0,15	Min. 7%	Min. 20%	Min. 50%	Min. 90%	<b>Min. 90%</b>
<b>Maintenance of the electricity production capacity above the average level in the industry</b>									
7	Capacity factor (cumulated since the beginning of the year)	Achieved production MWh/Maximum design production MWh	%	0,10	Min. 80%	Min. 80%	Min. 80%	Min. 80%	<b>Min. 80%</b>
<b>Operation of the nuclear units in safe conditions for the personnel, the population, the environment and the production assets</b>									
8	No operating events above level 1 on the International Nuclear Event Scale, concerning the damage of the in depth defense barriers, onsite and off-site impact.	Cernavoda NPP		0,05	0 events over 1 on the INES scale	0 events over 1 on the INES scale	0 events over 1 on the INES scale	0 events over 1 on the INES scale	<b>0 events over 1 on the INES scale</b>