



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

## **Report of the Nomination and Remuneration Committee for 2014**

### **I. Introduction**

The Nomination and Remuneration Committee (hereinafter called “CNR”) within the Board of Directors of the National Company SN Nuclearelectrica SA (hereinafter called “SNN”) was set up by Board of Directors Resolution no. 7/26.04.2013, as provided by art. 140<sup>2</sup> of Law no. 31/1990 of companies, republished, with updated amendments and as provided by art. 34 of GEO no. 109/2011 regarding the corporate governance of public companies („GEO no.109/2011), corroborated with the provisions of art. 18, paragraph A3-the introductory thesis of SNN updated Articles of Incorporation.

CNR is a permanent committee with consulting function, coordinated directly by SNN Board of Directors. CNR has the responsibility to assess, consult and formulate proposals regarding the nominating of the members of the Board of Directors and company managers to whom management responsibilities are delegated, as well as to remunerate them in compliance with the regulations in force. CNR unfolds investigations and elaborates recommendations for the BoD regarding the remuneration of the administrators, managers and personnel or regarding candidate nominations for the different management positions.

According to provisions of art. 55, paragraph 2 and 3 of GEO no. 109/2011, CNR has the obligation to present to the General Meeting of Shareholders an annual report regarding remuneration and other advantages granted to the administrators and managers during the financial year.

### **II. Organization**

CNR is composed of three members designated from the non-executive members of the Board of Directors, namely: Alexandru Sandulescu, Carmen Radu, Alexandru Alexe. The mandate of the members of this committee is valid for the period when they have the quality of non-executive administrators within SNN Board of Directors.

In order to properly fulfill their duties and for good organization, CNR indited and approved (by Resolution no.1/26.04.2013) their own Organization and Operation Statute, also approved by the BoD by Resolution no.7/26.04.2013.

All the other Advisory Committees acted in the same manner, inditing their own Organization and Operation Statutes, subsequently approved by the Bod. By Resolution no.30/13.03.2014, the BoD approved a sole Organization and Operation Statute for the Consulting Committees. By Resolution no.45/26.03.2014, the BoD establishes the compondence of the Consulting Committees and appoints their secretaries.

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**Societatea Nationala NUCLEARELECTRICA S.A.**

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Trade Registry no.: J40/7403/1998, Sole registration code: 10874881,

Paid and subscribed capital: 3.012.210.410 lei

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Decisions within CNR are made with the simple majority of the participating members (or representatives) and have, for the Board of Directors, recommendation value, without being compulsory, Each member of CNR expresses a vote, namely “for”, “against” or “abstention”. For each CNR meeting, a resolution is issued containing at least the following: the recommendation for the Board of Directors, arguments that the recommendation is based on, expressed votes; the resolution is signed by the President and the Secretary of the Committee.

CNR meets periodically, at least once every three months, at the request of the BoD or every time the President deems necessary.

When a position becomes vacant in CNR, a new member is appointed by BoD decision. The BoD members who are revoked automatically lose their membership in different committees.

At the proposal of the presidents or members of the consulting Committees, the BoD can approve the co-optation of permanent external independent experts, natural or legal persons, specialised in the committees' field of the competence, to assist the members in their activity, and establish the remuneration of these experts.

### **III. Meetings of CNR 2014**

Throughout 2014, CNR of SNN assembled for 12 meetings, within which they indited proposals for the BoD regarding matters that fall into their competence, as follows :

- Appoval of the long and shortlist of candidates proposed by the Quest Advisors for the selection of SNN's CFO ;
- Formulation and forwarding of the recommendation for the selection of SNN's CFO to the BoD;
- Making a recommendation to the BoD for appointing mr. Darie Mihai as CFO of SNN S.A., for the layout of the Mandate Contract and for the level of remuneration offered to the selected candidate, as well as a recommendation for the Chairman of the Bod to be empowered to sign the Mandate Contract with the CFO of SNN;
- Making a recommendation to the BoD for revising Appendix 1 and Appendix 1.1 to the Contracts of Administration concluded between the administrator and the company;
- Making a recommendation for approving the revision of the fixed payment of administrators as per art.16 of the Contract of Administration;
- Making a recommendation for revising art.7.19 and 7.21 of the Constracts of Administration concluded between the administrators and the company;
- Making a recommendation for revising the Mandate Contracts concluded between SNN and the CEO, CFO and the Manager of CNE Cernavoda, as according to the ammendments made to the Statutory Act of the company;
- Making a recommendation for revising the performance indicators for the CEO, CFO and the Manager of CNE Cernavoda , subject to approval of the performance indicators for the members of the BoD;
- Making recommendation regarding the reassessment of the performance indicators for the General Manager, the Manager of Cernavoda NPP and the Financial Manager, under the condition of the Board's of Directors approval of the performance indicators;
- Making a recommendation for the proposal of harmonization of the objectives and performance indicators stipulated by the Mandate Contract of the CFO with the objectives and performance indicators stipulated in the Mandate Contract of the CEO of SNN SA;
- Making a recommendation to the BoD for concluding a Mandate Contract with the CFO, in the amended version;
- Making a recommendation for the appointment of Mrs. Dragan Ioana Alina as temporary administrator within the BoD, until the appointment of an administrator by the GSA, selected according to the provisions of GO 109/2011
- Making a recommendation for the layout of the administration contract for the temporary administrator;

- Making a recommendation for delegation of the company management to the BoD, namely regarding the vagueness of art.20 of the Statutory Act, modified by GSA Resolution dated 31.07.2014.

#### **IV. Information according to the provisions of art. 55 par. 2 and 3 of GO no. 109/2011**

According to the provisions of art.55 paragraph 2 and 3 of GO no.109/2011, CNR has the obligation to present the GSA with an Annual Report regarding the remuneration and other advantages awarded to the administrators and managers throughout the financial year.

The annual Report of the Nomination and Remuneration Committee comprises, at least, information on:

- Structure of remuneration, with explanations about the quota of fixed and variable component;
- Performance criteria that justify the variable component of the remuneration, the achievement and remuneration ratio;
- Reasons that justify any annual bonus scheme or non-monetary advantages;
- Potential schemes of supplementary or anticipated pension;
- Information on contract duration, negotiated notice period, damage quantum –interest to revoke without just cause.

##### **(i) The structure of remuneration, with explanations on the quota of fixed and variable components**

SNN administrators and managers receive for the unfolded activity a fixed monthly remuneration and a variable one. The variable remuneration is payable depending on the degree of fulfilment of the indicators and performance criteria established by the mandate/administration contracts as overtaken from the management/administration plan. The fixed monthly remuneration is limited in compliance to the legal stipulations, namely GEO 109/2011. The fixed and variable remuneration for the BoD members is approved by SNN General Meeting of Shareholders.

The general limits of the managers remuneration (manager in the sense provided by art 143 of Law no.31/1990) are approved by the General Meeting of Shareholders; based on these general limits, the Board of Directors establishes the value of the managers remuneration.

The policy and criteria for the remuneration of administrators and managers are published on the company's internet page.

##### **Remuneration of the non-executive administrators**

The non-executive members of SNN BoD are entitled to receive a fixed monthly remuneration and a variable one.

The gross fixed monthly remuneration of the BoD members is limited to maximum one (1) gross average salary per activity field, namely the gross monthly amount of lei 4.028.

The gross fixed monthly remuneration of the non-executive BoD members varies according to the participation in the consulting committees organized at BoD level, as follows:

- The President of the BoD and the members of the BoD who take part in their quality of members in at least two (2) consulting committees organized at BoD level benefit from a gross fixed monthly remuneration in the maximum legal sum, namely the gross monthly amount of lei 4.028.

- The members of the BoD who take part in their quality of members in at least one (1) consulting committee organized at BoD level benefit from a gross fixed monthly remuneration of 90% of the maximum legal sum, namely a gross monthly amount of lei 3.625.

- The members of the BoD who do not take part in their quality of members in any consulting committee organized at BoD level benefit from a gross fixed monthly remuneration of 85% of the maximum legal sum, namely the gross monthly amount of lei 3.424.

The non-executive members of the BoD also benefit from a variable remuneration, which has two subcomponents:

1. The variable subcomponent 1 will have a maximum gross annual value equal to the annual value of the gross average salary per energy field for the period this variable subcomponent is paid. The payment is done quarterly based on the degree of fulfilment of the performance indicators and criteria as established by the administration plan and contracts. The adjustment of the quarterly payments based on the Annual Indicator for performance indicators and criteria fulfilment is done on an annual basis.

As it concerns the monthly equivalent, the variable subcomponent 1 has a maximum gross monthly value equal to one (1) gross average monthly salary for the relevant calculation period (a month as per the administration contract), and payment is done according to contract provisions based on the degree of fulfilment of the performance indicators and criteria, appendix to the administration contract.

2. The variable subcomponent 2 will have a maximum gross annual value of 0.4% applied to the difference between the effective realized profit and the estimated net profit for each financial year, but no larger than the value of the fixed annual remuneration determined according to the administration contract. This subcomponent will also be granted based on the Annual Indicator for the fulfilment of the performance indicators and criteria.

As it concerns the monthly equivalent, the variable subcomponent 2 has a maximum gross monthly value equal to the gross fixed monthly remuneration, namely the gross monthly amount of lei 4.028.

### **The remuneration of the executive administrators and managers, appointed as per article 143 of the Law number 31/1990**

The executive managers of the Board of Directors of SNN SA are entitled to a fixed monthly indemnity and a variable one.

The executive members of the Board of Directors have concluded:

- An administration contract for the quality of members of the Board of directors (administrator);
- A mandate contract for the quality of manager in the terms of article 143 of the Law 31/1990 („Manager”/”Managers”)

The managers who are also members of the Board of Directors are executive administrators. During the period the managers are also members of the Board of Directors, they are entitled only to the payment of the indemnity provided in their mandate contracts, without receiving payment for the position of members of the Board.

As per the provisions of OUG 109/2011, the fixed monthly gross indemnity of the managers may have a maximum quantum of 6 times the average gross salary per branch, namely in the case of SNN, the electric energy branch, communicated by the National Institute for Statistics before the appointment. Taking into account the average gross monthly salary of the electric energy branch before the date of the appointment of the executive managers, namely 4.028 lei monthly gross, it results that the maximum gross monthly indemnity cap is 24.168 lei monthly gross.

As per the resolution of the GMS of SNN dated 22.08.2013 which establishes the limits of the fixed indemnity of the executive managers, the Board of Directors of SNN established the following cantus of the fixed gross monthly indemnity for the executive managers:

- 24.150 lei monthly gross for the General Manager
- 22.950 lei monthly gross for the manager of Cernavoda NPP Subsidiary, namely 95% of the indemnity of the General Manager.
- 20.528 lei monthly gross for the CFO, namely 85% of the CEO's endowment;

At the same time, as per the resolution of the GMS of 23.08.2013 which establishes the limits of the variable indemnity of the executive managers, the Board of Directors established the following variable components of the variable indemnity:

1. Variable subcomponent number 1 will have a maximum annual quantum of 12 fixed gross monthly indemnities. The payment will be made quarterly based on the degree of achievement of the performance indicators and criteria provided in the administration plan and administration contracts. Annual regulation of the quarterly shared will be made based on the Annual Indicator of achievement of the performance indicators and criteria.

In monthly equivalent, the variable subcomponent number 1 has a quantum of maximum one monthly gross indemnity, and the payment will be made in accordance with the contractual provisions depending on the fulfilment of the performance criteria and indicators, annexed to the administration contracts.

2. Variable subcomponent number 2 will have a maximum annual quantum of 0,4% applied to the difference between the achieved profit and the net estimated profit for each financial year, but not more than the value of the fixed annual indemnity determined in accordance with the administration contract. This subcomponent will be awarded also depending on the Annual Indicator of the achievement of the performance indicators and criteria.

In monthly equivalent, variable subcomponent number 2 has a maximum gross monthly quantum equal to the value of the fixed gross monthly indemnity.

**(i) Underlying Performance criteria for the variable component of remuneration; Ratio of achievements to remuneration;**

**Non – executive Administrators**

The variable components is determined depending on the achievement of the objectives, namely the achievement of the target level of the performance indicators approved through the Management Plan and has two subcomponents. In order to grant the first subcomponent of the variable component, the level of achievement of the performance criteria will be evaluated quarterly, taking into consideration the weight of each indicators and the variation in comparison with the established level. The sum corresponding to the first subcomponent is awarded in 4 (four) quarterly shares under the following conditions:

Thus, on the basis of the established indicators and their weight, a global IT quarterly indicator will be calculated after the following formula:

$$I_{TA} = \sum_{i=1}^n I_i \times W_i$$

where

- $I_T$  – global quarterly indicator
- $I_i$  – individual indicator (Level of achievement- %)
- $W_i$  – Weighting coefficient
- $I_A$  – Annual global indicator

The value of the quarterly share of the first variable subcomponent which will be granted to nonexecutive shareholders is equal to the sum of monthly gross average salaries in the branch, communicated by the National Institute for Statistics for the respective period, thus the total annual value of the first subcomponent is equal to the total annual value of the monthly gross average salary in the branch.

If the global quarterly IY indicator is achieved at 100% or above, for the period of the calculation, an amount equal to 100% of the first quarterly share will be awarded as the first subcomponent of the variable component. If the IT global quarterly indicator is achieve under 100%, for the period of the calculation, an amount equal to 75% of the quarterly share will be awarded as the first subcomponent of the variable component. If in total, at the end of the year, the annual global indicator AI is achieved at 100% or above, the difference of the retained shares of the variable subcomponent during the periods when the global quarterly coefficient was under 100% is paid to the administrator.

According to the degree of completion of the Global Quarterly Indicators IT, stated in the administration activity reports for the 4<sup>th</sup> quarter of 2013, the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2014, approved by GSA Resolution no.3/29.04.2014, no.5/31.07.2014, no.9/06.10.2014 and no.10/18.12.2014 corroborated with the information comprised by Press Statements n0. 30/06.02.2014, no. 107/08.05.2014, no. 186/06.08.2014 and no. 265/06.11.2014 regarding the mean grossed monthly income in the company's activity field, issued by the National Institute of Statistics, non-executive administrators were entitled to receive endowments, representing the first subcomponent of the variable component, amounting to:

<b>Quarter/year</b>	<b>Global Quarterly Indicator IT</b>	<b>Quantum of the first subcomponent of the variable (lei, gross)</b>
Q. IV 2013	165,78%	12.784
Q. I 2014	139,57%	12.063
Q. II 2014	155,55%	12.878
Q. III 2014	264,16%	12.883
Total		50.608

The second subcomponent of the variable component which will be awarded to the non executive administrators, is determined depending on the fulfilment of the objectives, namely, the achievement of the annual target level of the performance indicators, that is the degree of achievement of the global annual indicator AI and is established at 0,4% of the amount representing the difference between the achieved net profit and the estimated profit for the financial year, but not more than the fixed annual indemnity.

The awarding of the second subcomponent of the variable component to the non-executive administrators for 2013 was approved by the GSA resolution no. 3/29.04.2014. For each non-executive member of the BoD, the quantum of this subcomponent is determined based on the provisions of art. 16 of the Administration Contract concluded between them and the company.

For 2013, the quantum of the 2<sup>nd</sup> subcomponent of the variable remuneration for the non-executive administrators is the following:

<b>Administrator</b>	<b>Subcomponent 2 of the variable remuneration (lei, gross amounts)*</b>
Alexandru Sandulescu	36.252
Alexandru Alexe	36.252
Carmen Radu	36.252
Dan Popescu	34.237
Dragos Popescu	33.232

*\*this subcomponent was awarded for the number of months of mandate in 2013 (April – December)*

Also, the two executive members of the BoD – the CEO and the Manager of CNE Cernavoda – were entitled to receive the second subcomponent for 2013, namely 3.424 lei for april 2013 (when they exclusively held the position of non-executive administrators), before the entering into force of GO 51/29.05.2013 for the amendment and completion of O.U.G. 109/2011 regarding the corporate governance of public companies.

For the year 2014, the calculation of the second variable subcomponente the following indicators will be considered :

<b>Indicator for 2014</b>	<b>Source</b>	<b>Value (lei)</b>
Executed net profit	Annual audited financial statements for the year ended as at 31.12.2011	133.064.655

Estimated net profit	BRE SNN 2014 approved by the Resolution of the Government number 413/20.05.2014 and by the Resolution of the OGMS number 5/31.07.2014	27.906.000
Difference between executed net profit and estimated net profit		105.158.655
0,4% of the difference of the net profit		420.635

Taking into consideration that the amount of 0,4% from the amount representing the difference between the executed net profit and the estimated net profit for the financial year 2014 exceeds the value of the fixed annual indemnity for each of the 6 non executive Board members (and will be paid for a 12 month duration in the case of 5 members and respectively for 2 months in the case of one member), in compliance with article 18 of the Administration Contract, the value of the second subcomponent of the variable component which will be paid to non executive administrators for 2014 will be limited to the level of the fixed annual indemnity for each non executive Board member.

### **Executive administrators – The General Manager and the Manager of Cernavoda NPP Subsidiary („Directors”)**

The variable component for the Directors is determined based on the achievement of the objectives, namely the fulfilment of target levels of the performance indicators approved in the management plan and has two subcomponents.

For the awarding of the first subcomponent of the variable component, the level of achievement of the performance criteria will be determined on a quarterly basis, taking into consideration the weight of each indicator and the variation in comparison with the established target level. The amount corresponding to the first subcomponent is awarded in 4 (four) quarterly shares, payable until the 26th of the first month of the quarter, for the previous quarter, in the provided conditions, as follows:

Thus, on the basis of the established indicators and their weight, a global quarterly performance indicator ( $I_T$ ) will be calculated, after the following formula:

$$I_{T,A} = \sum_{i=1}^n I_i \times W_i \quad \text{where}$$

$I_T$  – global quarterly indicator  
 $I_i$  – individual indicator (Level of achievement-%)  
 $W_i$  – Weighting coefficient  
 $I_A$  – Annual global indicator

The value of the quarterly share of the first subcomponent of the variable component which will be awarded to the General Manager is equal to 3 (three) fixed gross monthly indemnities, thus the total annual value of the first subcomponent is equal to 12 (twelve) fixed monthly gross indemnities. If the global quarterly IY indicator is achieved at 100% or above, for the period of the calculation, an amount equal to 100% of the first quarterly share will be awarded as the first subcomponent of the variable component. If the IT global quarterly indicator is achieved under 100%, for the period of the calculation, an amount equal to 75% of the quarterly share will be awarded as the first subcomponent of the variable component. If in total, at the end of the year, the annual global indicator AI is achieved at 100% or above, the difference of the retained shares of the variable subcomponent during the periods when the global quarterly coefficient was under 100% is paid to the manager.

Throughout 2014, the CEO and the Manager of CNE Cernavoda were entitled to receive the first subcomponent of the variable component corresponding to the IVth quarter of 2013, the trimestrial global indicator IT being 156.14% and 121.80%, respectively – approved by the BoD through Resolution no.46/26.03.2014. According to the provisions of the Contracts of Mandate concluded between these and the company, the quantum of the first variable subcomponent for the IVth quarter is

- CEO – 72.450 lei gross
- Manager of CNE Cernavoda – 68.850 lei gross.

The degree of accomplishment of performance indicators of the managers for the first, second and third quarter of 2014 is presented in the quarterly report, as follows:

	<b>1<sup>st</sup> Quarter 2014</b>	<b>2<sup>nd</sup> Quarter of 2014</b>	<b>3<sup>rd</sup> quarter of 2014</b>
CEO	114,63%	132,29%	184,82%
Manager of Cernavoda NPP Subsidiary	128,80%	139,64%	194,57%
CFO	113,21%	132,29%	184,82%
Degree of accomplishment approved by the Board of Directors	84/ 07.07.2014	102/ 11.08.2014	166/ 13.11.2014

Given the completion of the global quarterly indicators IT above 100%, the Managers of SNN SA were awarded the first subcomponent of the variable component for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2014, in quantum of 3 monthly fixed gross endowments for each of the two quarters, with the exception of the CFO who received only 2 (two) fixed indemnities for the first quarter considering the starting date of his mandate.

The second subcomponent of the variable component which will be awarded to the Managers, is determined depending on the fulfilment of the objectives, namely, the achievement of the annual target level of the performance indicators, that is the degree of achievement of the global annual indicator AI and is established at 0,4% of the amount representing the difference between the achieved net profit and the estimated profit for the financial year, but not more than 12 (twelve) fixed gross monthly indemnities (“annual calculation of the second variable subcomponent”).

The CEO and the Manager of CNE Cernavoda were awarded the second part of the second subcomponent of the variable component for 2013, amounting 188.400 lei gross (CEO – 96.600 lei gross and the Manager of CNE Cernavoda – 91.800 lei gross), the first part having been awarded in August 2013. These amounts corresponded to the period of mandate between 25.04.2013 – 31.12.2013

For the first semester of 2014, the first tranche of the second subcomponent of the variable component was calculated and awarded, as follows :

<b>Manager</b>	<b>First tranche of the second variable subcomponent (lei gross)</b>
CEO	144.900 lei
Manager of CNE Cernavoda	102.640 lei
CFO	137.700 lei

Taking into consideration that the amount of 0,4% from the amount representing the difference between the executed net profit and the estimated net profit for the financial year 2014 exceeds the value of the fixed annual indemnity for each of the 6 non executive Board members (and will be paid for a 12 month duration in the case of 5 members and respectively for 2 months in the case of one member), in compliance with article 15 of the Administration Contract, the value of the second subcomponent of the variable component which will be paid to non executive administrators for 2014 will be limited to the level of the fixed annual indemnity for each non executive Board member.

For 2014, the centralized statement of the revenues of the management of SNN (both for Board members and for managers with mandate contract), gained in their capacity of administrators and/or managers is as follows :

<b>The management of the company</b>	<b>Fixed gross indemnity (lei)</b>	<b>Variable component (lei gross)</b>		<b>Gross revenue (lei)</b>	<b>Net revenue (lei)</b>
		<b>Variable subcomponent I</b>	<b>Variable subcomponent II</b>		
Members of the Board of	246.716	253.040	183.073	682.829	507.501



Directors					
Managers with Mandate contracts	791.008	729.424	573.640	2.094.072	1.616.685
<b>Total</b>	<b>1.037.724</b>	<b>982.464</b>	<b>756.713</b>	<b>2.776.901</b>	<b>2.124.186</b>

(i) **Arguments that justify the annual bonuses and other non-monetary benefits**

The annual bonus which is awarded to the non executive Administrators and to the Managers is represented within the second variable subcomponent of the variable remuneration. Details regarding this subcomponent were presented at item (ii) above. The considerations which justify the annual awarding of this bonus are the following:

1. The provisions of art. 37, paragraph 2 and article 38, paragraph 2 of OUG 109/2011 according to which the remuneration of the members of the Board of Directors is made up of a fixed monthly indemnity and a variable component which can consist of a participation quota to the net profit of the company, a pension scheme or another form of remuneration based on the performance indicators;
2. The provisions of art. 37, paragraph 5 and art. 38, paragraph 3 of OUG 109/2011 according to which “the level of the variable component is established based of strongly motivated recommendations, formulated on the basis of the results of a comparison study regarding remuneration conditions in other similar companies, from the safe field of activity, with major or entire state owned capital from Romania or other European countries, by the remuneration committee or..”;
3. The study regarding the remuneration policy of the administrators and managers of SNN prepared by CNR in order to comply with the requirements of art. 37, paragraph 5 of OUG 109/2011. On the basis of this study, CNR issued recommendations regarding the variable component of the remuneration of the Administrators and Managers;
4. The remuneration study was based on the following elements:
  - The level of remuneration from similar Romanian and European companies, taking into account both
    - state owned and private companies;
  - The level of remuneration in other countries (Canada), taking into account the CANDU type NPPs;
  - The level of the salaries of some employees with management responsibilities within SNN;
  - Other companies with the major shareholders-the Romanian state from other fields of activity.

At the same time, the managers benefit of the following non financial advantages:

1. Directors&Office type liability policy
2. The right to be reimbursed for business travels;
3. The right to consider as seniority in the nuclear and thermal energy sector the period for which he/she acts as manager within SNN;
4. The right to a company car (the costs of which will be beard by SNN), office phone, laptop, desktop, stationary, faxes, logistic, etc as well as other equipment which is necessary for representation at the management level;
5. The right to an office space, adequate for the position of manager, with all the necessary facilities and equipments;
6. The right to an occupational insurance for work related accidents and professional illness, on the expense of the company;

7. The right to have a secretariat, the cost of which will be heard by the company;
8. The right to request mediation and/or other protection measures from the Board of Directors, the GMS, the confederation, federation or patron organization, in order to solve conflict situations with the unions or representatives of the employees, as well as other organizations, having the right to benefits in these cases of legal consultancy, on the expense of SNN;
9. The right to a protocol fund from the protocol funds of the company approved by the Board of Directors;
10. The right to an employment in correspondence with his training and professional experience (on the basis of an individual work contract for an undetermined period of time, concluded in accordance with the law) as well as all the right derived from the employment, as per the legal provisions and/or those of the collective work agreement of the company, after the termination, of any reasons of the current contract, namely the revocation based on reasons independent of his person.

The administrators benefit of the following non financial advantages:

1. Directors&Office type liability policy, up to the ensured amount of 3 million Euro;
2. The right to be reimbursed for business travels;

**(ii) Potential alimonies or anticipated pensions– Not applicable**

**(iii) Information regarding the duration of the contract, the negotiated notification period, the quantum of losses – interests for revocation without just cause**

**Non – executive Administrators and Managers**

The mandate/administration contracts concluded by the members of the Board of Directors / Managers with SNN have duration of 4 years, starting with the date of the appointment and can be renewed through a resolution of the General Meeting of Shareholders/Decision of the Board of Directors only if case of the adequate achievement of the assumed attributions/obligations. The administration/mandate contracts do not provided a negotiated notification period, the administrators/managers having the right to renounce their positions without allowing SNN a notification period.

In case the administrators/managers are revoked unexpectedly or unjustified, they have the right to receive from SNN a compensation for the unexecuted period of the their administration/mandate contract, regardless of the date the revocation occurs, but not more than 12 fixed monthly indemnities, thus determined:

- a) in case the revocation occurs at any time before the last year of the mandate contract, the administrator/manager will receive a compensation representing 12 fixed monthly indemnities;
- b) In case the revocation occurs during the last year of the mandate contract, a compensation corresponding the number of months left until the end of the term will be paid, but not in excess of 6 fixed monthly indemnities.

The payment of this compensation is made in 30 working days from the date of the termination of the Administration/mandate contract. This form of compensation is unique and represents the only form of damages paid in case of unjustified revocation. In case of revocation for just reasons, SNN does not owe to the administrators/manager any compensation for the unexecuted period of his term.

The degree of accomplishment of the performance indicators as at 31.12.2014 is as follows:

Mandate/administration contract	Degree of accomplishment of the performance criteria and indicators
Board of Directors	175,27%
CEO	139,72%

Manager of Cernavoda NPP  
CFO

150,32%  
139,72%

**Nominationa and Remuneration  
Committee**

Alexandru Sandulescu,

Carmen Radu,

Alexandru Alexe,