



NUCLEARELECTRICA

Approved by the Decision of the BoD no. 35/22.03.2017

President of the BoD,

Alexandru Sandulescu

## NOTE

regarding the approval of the insured amount for the professional responsibility insurance for administrators with a mandate contract in the company

*Material for point 13 on the GEMS agenda from 24.04.2017*

### I. General/competence aspects

Considering the following provisions:

- EGO no. 109 from November 30<sup>th</sup>, 2011 regarding the corporate governance of the public companies;
- GD no. 722 from September 28<sup>th</sup>, 2016 for the approval of the Methodological standards for applying certain provisions of the EGO no. 109/2011 regarding corporate governance of public companies;
- Art. 21 letter b) of ANNEX no. 1b – Mandatory elements of the mandate contract of Annex 1 to the G.D. no. 722/2016 – METHODOLOGICAL STANDARDS from September 28<sup>th</sup>, 2016 for establishing the selection criteria, for drafting the short list up to 5 candidates for each position, of their ranking, of the procedure regarding final appointments, as well as other measures necessary for implementing the provisions of the EGO no. 109/2011 regarding corporate governance of public companies, according to which [*is recommended the insertion in the contract of the following clauses:*] **„contracting and payment method of a professional responsibility insurance, including the maximum insured amount”**;
- The provisions of art. 20 of the Mandate contract project: **„The Administrator must be ensured for professional responsibility. The payment of premiums for this insurance, of which amount is approved by the GMS, shall be made by the company and is not deducted from the administrator’s remuneration.”**

### II. Presenting the issue

On 25.04.2017 expires the period for which were concluded the management contracts of 6 members of the BoD, of which 5 non-executive members and an executive member.

Currently, SNN has a RMCA 6060299322/24.06.2016 Civil responsibility insurance for administrators and managers. The validity of the insurance premium expires on 24.06.2017. The insurance premium was concluded by complying with the state provisions and decisions of the current state authorities, according to which the company is compelled to conclude for the executive and non-executive administrators as well as for the Managers, a Professional responsibility insurance premium type D&O (Directors and Officers Liability).

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The responsibility limit per event and annually is 27.000.000 EUR, being dimensioned starting from the SNN obligation to comply with the mandate contracts of the administrators and respectively of the managers, which provides an individual allowance limit of 3.000.000 EUR, correlated with a number of 9 insured persons (7 members of the BoD and 2 Managers). Annex 1 to the insurance policy consists in the nominal list of the SNN BoD members and of the Managers with a mandate contract (CEO and CFO).

Considering the following:

- It is necessary the establishment, by the company's GMS, of the maximum insured amount for the professional responsibility insurance policy (respectively of the allowance limit in aggregate and individually for each insured person) – an element that needs to be determined prior to initiating the procedure of acquisition of professional responsibility insurance / civil liability insurance for the SNN administrators and managers;
- Due to the fact that at this moment no element occurred, justifying the amendment of the insured amount and in order to maintain continuity in the insurance type D&O,

We submit to the approval of the OGMS the proposal to keep the insured amount of 21.000.000 EUR in aggregate for the SNN BoD members (determined as the product between the individual limit of 3.000.000 EUR and the number of the BoD members), to which shall be added the responsibility limit for managers with a mandate contract (determined as the product between the individual limit to be approved by the GMS and the number of managers with a mandate contract) for the professional responsibility insurance premium / civil responsibility of SNN administrators and managers.

### III. Proposals

Compared to those mentioned before, we request the OGMS:

**The approval** of the insured amount for the acquisition of “Responsibility insurance premium / civil responsibility of SNN administrators and managers services”, for the period 25.06.2017 – 24.06.2018, of 21.000.000 EUR in aggregate for the SNN BoD members (determined as the product between the individual limit of 3.000.000 EUR and the number of the BoD members), to which shall be added the responsibility limit for managers with a mandate contract (determined as the product between the individual limit to be approved by the GMS and the number of managers with a mandate contract) for the professional responsibility insurance premium / civil responsibility of SNN administrators and managers.

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