



Approved by the Board of Directors Decision No 34 of 22.03.2017

Chairman of the Board,

Alexandru Săndulescu

Note approving limits of fixed gross monthly indemnity for directors who are not members of the Board of Directors and approval and other benefits granted to Directors of the Company

Material related to item 12 on the agenda of the OGMS (Ordinary General Meeting of Shareholders) hold in 24/04/2017

I. General details / competence

Approval limits of fixed monthly gross remuneration of the Directors who are not also members of the Board of Directors is in the competency of Ordinary General Meeting of Shareholders in accordance with art. 153, index 18, paragraph (2) of Law no. 31/1990 ("Law no. 31/1990"). Also, art. 13 paragraph (2) e) of the Articles of Incorporation of the National Company Nuclearelectrica S.A. ("SNN") states that the Ordinary General Meeting of Shareholders establishes the general limits of remuneration of the General Manager and Directors. For the avoidance of any doubt, hereinafter, the notion of "Director" refers only the person to whom management attributions have been delegated by means of delegating the company's management, including the General Manager, in accordance with Art. 143 of Law no. 31/1990.

Also, art. 153, index 18, paragraph (1) - (3) of Law no. 31/1990 provides that any other benefits granted to directors may be granted only in case they are stipulated in the Articles of Incorporation or they are approved by the General Meeting of Shareholders.

II. Presentation

Regarding the gross fixed monthly remuneration of Directors, according to art. 37 paragraph 3 of GEO (Government Emergency Ordinance) no. 109/2011 as amended and supplemented ("GEO no. 109/2011"), the monthly gross fixed remuneration of executive directors cannot exceed 6 times the average for the past 12 months of the average monthly gross earnings for the activity unfolded according to the main object of activity registered by the company, at class level as per the classification within the national economy, communicated by the National Institute of Statistics prior to the appointment. Even if the Directors are not members of the BoD, when establishing the limits within which the BoD establishes their remuneration, we consider, that in order to have a unitary approach, the reference is the provision from the above mentioned GEO 109/2001. Moreover, as per art. 21, paragraph 4 of GEO 109/2011, the remuneration of the Directors is established by the BoD and it cannot exceed the level of remuneration established for the executive members of the BoD.

Thus, the limits proposed for the fixed monthly remuneration of the Directors who are not members of the BoD are compared against the limit established for the executive administrators, namely six times the average value for the last 12 months of the gross average monthly wage for the activity unfolded according to the main object of activity as registered by the company, at class

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level as per the classification within the national economy, communicated by the National Institute of Statistics prior to the appointment. We state the limits proposed refer to the Directors who are to be appointed after the OGMS dated 24.04.2017.

The approval of these limits is also necessary for situations in which the company has no executive administrators, only non-executive administrators; such a situation is applicable for example when the company's general manager is not, at the same time, a member of the Board of Directors.

The Mandate Contract to be concluded between the company and executives / general manager includes, besides a fixed indemnity, a variable one, and a series of benefits for the position occupied, which, in accordance with Art. 153¹⁸ paragraph (3) of the Companies Law no. 31/1990 may be granted only under condition in which these benefits are provided in the Articles of Incorporation or approved by the Ordinary General Meeting of Shareholders.

Considering that the Articles of Incorporation of SNN does not provides benefits / rights associated with the positions of Director with mandate contract / General Director, we subject to the approval of the Ordinary General Meeting of Shareholders Shareholders to grant the following rights and benefits which are specific to the position occupied and in compliance with the law:

1. The right to annual leave and related remuneration, allowance related to the settlement of travel expenses and per diem for work, sick leave under the law and paid time off for holidays, specific anniversaries, birth of a child, or, in case of death of a family member, granted similarly to those provided by the Collective Work agreement applicable to the company for the position of director with a labor contract;
2. The right to be considered as seniority in the workfield and / or in the electricity, thermal and nuclear field the entire duration of time for which the contract of mandate is concluded, with all rights and obligations as specified by the legislation in force and the Collective Labor Agreement concluded within company.
3. The right to constantly use the car service for mixed use (office / personal) (whose cost will be borne entirely by the company including the mixed-use scheme, including costs for assuring a driver when used for business purposes), mobile phone services, laptop, office computer, office equipment, fax machines, logistics, stationery etc. and any other devices / equipment / facilities that are specific at the level of representation of the post of Director / General Manager and which are necessary for the performance of the contract. All costs, taxes and fees related to the use and operation of the equipment mentioned above, including the appropriate subscriptions, shall be borne by the company;
4. The right to benefit of a space with office functionality, proper for the position of Director / General Manager, with appropriate amenities and facilities;
5. The right to benefit of insurance against work accidents and occupational diseases at the expense of society.
6. The right to benefit from the services of a secretary, in which case the cost of salaries and other expenses corresponding to such functions will be fully borne by company;
7. The right to request mediation, consulting services and / or other protective measures from the Board of Directors, the General Meeting of Shareholders, confederation, federation or unions in which the company is a member with a view to solving conflict situations with trade unions and / or employees' representatives and other organizations, with the right to also benefit in such cases of the necessary legal assistance at the expense of company;
8. The right to benefit from a protocol fund out of the company's protocol fund, at the expense of the company;

9. The right to be granted a job corresponding to the education of experience levels (based on an individual labor contract on unlimited period, concluded in compliance with the law), as well as all the rights related to this job, as per the legal provisions and/or the Collective Labor Contract applicable to the company, after the termination, regardless of the reasons, of the mandate contract, respectively after the revocation from this position due to reasons that are not imputable.
10. The right to participate in training courses specific to the activity and / or specialization and / or position.
11. The right to benefit from a professional liability insurance specific to Director / General Director position for an insured amount of EUR 3,000,000 (per year) for each director, policy whose costs will be paid by the company.

III. Proposals

To those mentioned above, we request to the Ordinary General Meeting of Shareholders:

Approval of the limits of the fixed monthly remuneration of directors appointed after the date of the Ordinary General Meeting of Shareholders of 04.24.2017 and who are not members of the Board of Directors, in the range between 5 times and 6 times the average of the past 12 months of the average gross salary monthly for the activity unfolded according to the main object of activity as registered by the company, at class level as per the classification within the national economy, communicated by the National Institute of Statistics prior to the appointment, as well as the approval of other benefits granted to any of the directors after April 24, 2017, provided in the Note presented to the shareholders, in compliance with art. 153, index 18 of Law 31/1990.

General Director
Daniela Lulache

Financial Director
Mihai Darie