

**ADDENDUM No. 1**  
**to Contract of Mandate no. .... / .....**

Between:

**Societatea Națională Nuclearelectrică S.A.**, one-tier trading company, with the registered office in

Bucharest, 65 Polona St., having CUI [Sole Identification Number] 10874881, registered with the Trade

Register Office attached to Bucharest Tribunal under no. J40/7403/1998, represented by Mr. ...., member of the Board of Directors, appointed by the Board of Directors by Resolution no. .... / ..... 2019, to sign this Contract of Mandate for and on behalf of the Company, as **Principal**, hereinafter referred to as the "*Company*",

and

Mr./Mrs....., Romanian citizen, born on ..... in ..... , domiciled in ..... , identified by the CI [*Identity Card*] series ...., no. ...., CNP [*Personal Identification Number*] ....., as **Agent**, hereinafter referred to as the "*Executive Director/Chief Executive Officer*"

collectively referred to as the "Parties" and individually as the "Party"

Considering the following:

- the provisions of Emergency Ordinance no. 109/2011 regarding corporate governance of public enterprises, as subsequently amended and supplemented ("O.U.G. no. 109/2011");
- the provisions of HG no. 722/2016 for approving the Methodological norms for the application of provisions from Emergency Government Ordinance no. 109/2011 regarding the corporate governance of public companies;
- the provisions of Law no. 31/1990 on trading companies, republished, as subsequently amended and supplemented, ("Law no. 31/1990");
- the provisions of the Company's Articles of Incorporation, in force (the "Articles of Incorporation");
- Resolution of Ordinary General Meeting of Shareholders no. .... / April 11<sup>th</sup>, 2019, whereby the following were approved: .....
- Resolution of the Board of Directors no. .... / March 7<sup>th</sup>, 2019 on the approval of the Management Plan;
- Article 4.2 of Contract of Mandate No. .... / ..... (the "Contract"), whereby the contract shall be supplemented by an addendum comprising the variable remuneration, the financial and non-financial performance objectives and indicators set by the General Meeting of Shareholders, as well as those in the letter of expectations;
- Article 12.1 of the Contract of Mandate, whereby the contract may be amended only by written agreement of the parties, expressed in an addendum,

The Parties agree on this Addendum to Contract of Mandate No. .... / ....., following the agreement of will, expressed by the signatory parties.

**Art.I**

Art. 4 of the Contract shall be supplemented with pt. 4.4 having the following contents:

“4.4. The financial and non-financial performance indicators, as well as the details of the method for calculating and granting the variable component of the remuneration due to the Executive Director/Chief Executive Officer are specified in Annex no. 3 to this contract of mandate, which is an integral part of the contract of mandate.”.

**Art. II**

Annex no. 3 to the Contract is inserted, in the form attached to this Addendum.

**Art. III**

Art. 13 of the Contract shall be supplemented with pt. 13.4 which shall have the following contents:

"The case of Contract termination stipulated under pt. 13.1 let. c) let. (ii) shall only apply if the cumulative degree of achievement of the financial and non-financial performance indicators, undertaken under the Contract of Mandate is less than 75% and this level is due to the existence of the Chief Executive Officer's fault."

**Art.III**

The remaining provisions of Contract of Mandate no.\_\_\_\_\_/\_\_\_\_\_ shall remain unaffected. This Addendum was signed in three counterparts, two for the company and one for the Chief Executive Officer.

Company

Executive  
Director/Chief Executive Officer

.....

## FINANCIAL AND NON-FINANCIAL INDICATORS, VARIABLE COMPONENT OF THE REMUNERATION

1. Definitions of terms and expressions used in this contract of mandate
  - (i) **performance measurement** - the methodology based on which a public supervisory authority assesses the results of its public enterprises in relation to the objectives, targets and mission established by the public supervisory authority for them;
  - (ii) **performance indicators** - quantitative and qualitative measurement tools for financial and non-financial performance, indicating the achievement of quantifiable objectives in relation to specific performance targets;
  - (iii) **key performance indicators** - the performance indicators set out in Annex 3.1 and 3.2 to the contract of mandate, hereinafter referred to as the KPIs;
  - (iv) **financial performance indicators** - performance measurement tools, used to determine the efficiency of the usage of resources to generate revenue, cover costs, and earn profit;
  - (v) **non-financial performance indicators** - performance measurement tools, determining how well the Company is using the resources;
  - (vi) **results** - the effects of the Company's activity, having an impact either on the creation or delivery of value, or on the reduction or decrease of value;
  - (vii) **goals** - general statements about the activities whereby the desired results are achieved. Whether the goals or results have been achieved, is determined ex post following the activities performed over a relevant period of time, and these are usually set over a medium or long term;
  - (viii) **target** - a numeric value of the performance indicator with reference to the period of time that the indicator was established for, which meets a performance objective.
2. The financial and non-financial indicators (operational and for corporate governance), distributed over a short, medium and long term, with the related shares and with the indication of their verification tools, are specified in:
  - a. **Annex 3.1** - Financial and non-financial indicators broken down per each year corresponding to the mandate period;
  - b. **Annex 3.2** - Financial and non-financial indicators broken down per each quarter of the annual financial period.
3. The Agent shall benefit from the variable component of the remuneration, subject to the cumulative fulfillment of the targets related to the key performance indicators set out in Annex 3.1 and Annex 3.2 to this contract, as follows:

- a. The annual variable component shall be granted with a share of 100% if the key performance indicators cumulatively meet an achievement percentage equal to or above 100%;
- b. The annual variable component shall be granted proportionally, in relation to the months of activity during the last year of the mandate;
- c. The annual variable component shall be granted with a reduced percentage, proportionally to the degree of achievement of the key performance indicators, if these cumulatively meet within the financial year an achievement percentage less than 100%, but not lower than 75%. If key performance indicators cumulatively meet within a financial year an achievement percentage below 75%, the annual variable component shall not be granted. The calculation formula is:

- $\text{PrICP} = 100\%$  results  $\text{PrCv} = 100\%$
- $75\% \leq \text{PrICP} < 100\%$  results  $\text{PrCv} = \text{PrICP achieved (\%)}$
- $\text{PrICP} < 75\%$  results  $\text{PrCv} = 0\%$

where: PrICP – achievement percentage of Key Performance Indicator

PrCv – granting percentage of Variable Component

- d. The annual variable component of the Executive Director/Chief Executive Officer amounts to ..... gross fixed monthly allowances, the short, medium and long term value of the component shall be determined by applying the percentage shares specified in Annex 3.1, resulting in the variable component payment value for each year of the mandate, according to the following algorithm:

- **Var. comp. for 2019 shall be paid:** 80% in 2019 (short term) + 10% in 2020 (medium term) + 10% in 2023 (long-term at the end of the mandate)
- **Var. comp. for 2020 shall be paid:** 80% in 2020 (short term) + 10% in 2020 (medium term) + 10% in 2023 (long-term at the end of the mandate)
- **Var. comp. for 2021 shall be paid:** 80% in 2021 (short term) + 10% in 2022 (medium term) + 10% in 2023 (long-term at the end of the mandate)
- **Var. comp. for 2022 shall be paid:** 80% in 2022 (short term) + 10% in 2022 (medium term) + 10% in 2023 (long-term at the end of the mandate)

The short-term variable component for the period of activity under the mandate related to 2023 shall be determined according to the provisions of let. b.

4. The variable short-term component shall be calculated and paid for a financial year, the amount being granted in quarterly installments of 18% of the annual value forecast for the financial year in progress corresponding to the achievement of the indicators over the time elapsed from the financial year, within 10 calendar days of at the date when the quarterly reporting is closed, and, within 15 days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements, the due amount based on the cumulative achievement percentage of key performance indicators, shall be adjusted.

5. In the event that, the cumulative achievement percentage of key performance indicators for a quarter lies below 75%, the granting of the annual variable component shall be suspended until the end of the financial year, with the difference being subsequently settled within 15 calendar days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements.
6. The medium-term variable component shall be calculated and paid for a period of two financial years, based on the percentages set out in the Annex 3.1 and shall be granted within 15 calendar days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to the relative year of the mandated specified in Annex 3.1.
7. The long-term variable component shall be calculated and paid for the full four-year mandate for activity, the granting shall be made within 15 calendar days of the closure of the financial year of the year containing the last months of the mandate.
8. If the mandate ceases before the end of the term of the mandate, for reasons not related to the person of the Director, the variable component shall be granted proportionally, accordingly, until the last full month of activity during the mandate term.
9. If the mandate ceases before the end of the term of the mandate, for reasons related to the person of the Director, the company shall be entitled to claim and the Director undertakes to return the full amount granted during that year, representing the payment of the variable component related to the year in which the termination of the mandate became effective.
10. Key performance indicators, and the achievement degree may be changed, as applicable, in the following situations:
  - a) Force majeure, as such is defined by law;
  - b) Other causes not imputable to the directors and which do not affect the achievement of the objectives and targets set for the entire mandate.

Targets may be changed in the event of an approved rectification of the Revenue and Expenses Budget, under the conditions of the law and of the articles of incorporation.

11. The description, verification tool and target values of the key performance indicators are specified in Annex 3.1 and Annex 3.2, respectively.
12. The financial performance indicators are checked by reference to the obtained values of these indicators, as such are registered in the company's financial records.
13. The method of verification of non-financial indicators is performed by analyzing the state of achievement of these indicators included in Reports / Calculation Formulas indicated in the column "Verification tools" in Annex 3.1, and Annex 3.2, respectively.

Company

Executive  
Director/Chief Executive Officer

By: .....