

OGMS – Item 2.2.

CORPORATE GOVERNANCE STATEMENT

Provisions of the Code	Compliance Yes/No / partial	Explanation
<p>A.1 All companies must have an internal regulation of the Board that includes the terms of reference/responsibilities of the Board and the key management functions of the company, and that applies, inter alia, to the General Principles in Section A.</p>	<p>Not</p>	<p>The opportunity of drafting will be analyzed of such a regulation</p>
<p>A.2 Provisions for the management of conflicts of interest shall be included in the Council Regulation. In any event, the members of the Council shall notify the Council of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by non-appearance, unless failure to appear would prevent the formation of a quorum) and from voting to adopt a decision on the matter giving rise to that conflict of interest.</p>	<p>Partially</p>	<p>Rules for the avoidance and management of conflicts of interest</p>
<p>A.3 The Management Board or Supervisory Board shall consist of at least five members.</p>	<p>Not</p>	<p>According to art.137 (2) of Law no. 31/1990, in the unitary system, the joint-stock companies whose annual financial statements are subject to a legal audit obligation are managed by at least 3 administrators.</p>

<p>4 The majority of the members of the Board of Directors must not hold executive office. At least one member of the Board of Directors or the Supervisory Board must be independent in the case of companies in the Standard Category. In the case of companies in the Premium Category, not less than two non-executive members of the Board of Directors or</p> <p>The Supervisory Board must be independent. Each independent member of the Board of Directors or of the Supervisory Board, as the case may be, must submit a declaration at the time of his nomination for election or re-election, as well as when there is any change in his statute, indicating the elements on the basis of which he is considered to be independent in terms of his character and judgment and according to the following criteria:</p> <p>A.4.1 is not a Chief Executive Officer/Executive Officer of the Company or a company controlled by it and has not held such a position in the last five (5) years;</p> <p>A.4.2 is not an employee of the Company or a company controlled by it and has not held such a position in the last five (5) years;</p> <p>A.4.3 does not receive and has not received additional remuneration or other benefits from the company, or</p>	<p>Yes</p>	
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<p>of a company controlled by it, other than those corresponding to the capacity of non-executive director;</p> <p>is not or has not been an employee or does not have or has not had during the previous year a contractual relationship with a significant shareholder of the company, a shareholder controlling more than 10% of the voting rights, or with a company controlled by him;</p> <p>does not have and has not had in the previous year a business or professional relationship with the company or a company controlled by it, either directly or as a client, partner, shareholder, member of the Board/Administrator, general manager/executive director or employee of a company if, due to its substantial nature, this relationship may affect its objectivity;</p> <p>is not and has not been in the last three years the external or internal auditor or employee partner or associate of the current external financial auditor or of the internal auditor of the company or of a company controlled by it;</p> <p>A.4.7. is not a general manager/executive director of another company where another general manager/executive director of the company is a non executive director;</p> <p>has not been a non-executive director of the company for a period of more than twelve years;</p> <p>does not have family ties with a person in the situations referred to in points A.4.1. and A.4.4.</p>		
<p>A.5 Other relatively ongoing professional commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of non-profit companies and institutions, shall be disclosed to potential shareholders and investors prior to nomination and during the term of his office.</p>	Yes	
<p>A.6 Any member of the Board shall submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any kind of relationship that may affect the member's position on the matters decided by the Council.</p>	Yes	
<p>A.7 The Company shall appoint a Secretary of the Board responsible for supporting the business Council.</p>	Yes	

A.8 The corporate governance statement will inform whether an assessment of the Board has taken place under the leadership of the Chair or the nominating committee and, if so, will summarise key measures and the resulting changes. The company must have a policy/guide Council evaluation including the purpose, criteria and frequency of the evaluation process.	Not	There is no legal obligation regarding the evaluation of the Council
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A.9 The corporate governance statement shall contain information on the number of meetings of the Board and committees during the last year, the participation of the directors (personally or in absence) and a report from the Council and the committees on their activities.	Yes	
A.10 The corporate governance statement shall include information relating to the the exact number of independent members of the Management Board or the Supervisory Board.	Yes	
A.11 The Board of Premium Companies shall establish a nomination committee consisting of non-executive members, which shall lead the process of nominating new members to the Board and make recommendations to the Board. Majority of the members of the nominating committee must be independent.	Not	Society does not falls into the category "Premium"
B.1 The Board shall establish an audit committee in which at least one member shall be an independent non-executive director. The majority of the members, including the Chair, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the Committee. At least one member of the audit committee must have proven and appropriate audit or accounting experience. In the case of companies in the Premium Category, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.	Not	The audit committee is being set up
B.2 The Chair of the Audit Committee shall be an independent non-executive member.	-	
B.3 As part of its responsibilities, the Audit Committee shall carry out an annual assessment of the internal control system.	Not	It will be fulfilled after the constitution of the committee
B.4 The assessment shall take into account the effectiveness and comprehensiveness of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Board's audit committee, the timeliness and effectiveness with which the executive management addresses deficiencies or weaknesses identified as a result of internal control and relevant reporting to the Council.	-	It will be fulfilled after the constitution of the committee
B.5 The Audit Committee shall assess conflicts of interest in relation to transactions and its subsidiaries with related parties.	-	It will be fulfilled after the constitution of the committee

B.6 The Audit Committee shall assess the effectiveness of the internal control system and the risk management.	-	It will be fulfilled after the constitution of the committee
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B.7 The audit committee shall monitor the application of legal standards and Internal audit generally accepted. The audit committee must receive and evaluate the reports of the internal audit team.	-	It will be fulfilled after the constitution of the committee
B.8 Whenever the Code refers to reports or analyses initiated by the Audit Committee, they shall be followed by regular (at least annually) or ad hoc reports to be submitted to the Council thereafter.	-	It will be fulfilled after the constitution of the committee
B.9 No shareholder may be accorded preferential treatment over other shareholders in relation to transactions and agreements entered into by the company with shareholders and their affiliates.	Yes	
B.10 The Board shall adopt a policy to ensure that any transaction of the Company with any of the companies with which it has close relations the value of which is equal to or greater than 5% of the Company's net assets (according to the latest financial report) is approved by the Board following a binding opinion of the Board's Audit Committee and properly disclosed to shareholders, and potential investors, to the extent that these transactions fall within the category of events subject to reporting requirements.	Yes	
B.11 Internal audits should be carried out by a structurally separate division (the internal audit) within the company or by engaging an independent third party.	Yes	
B.12 In order to ensure the performance of the core functions of the Internal Audit Department, it must report functionally to the Board through the Audit Committee. For administrative purposes and as part of management's obligations to monitor and reduce risks, he must report directly to the General Director.	Yes	

<p>C.1 The Company must publish on its website the remuneration policy and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.</p> <p>The remuneration policy must be formulated in such a way as to allow shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and the Chief Executive Officer, as well as of the members of the Executive Board in the dualist system. He should describe how the process is led and compensation decisions are made, and detail the components of executive management compensation (such as salaries, annual bonuses, long-term incentives linked to the share value, benefits in kind, pensions and others) and describe the purpose, principles and</p>	Yes	
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<p>the assumptions underlying each component (including the general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the Executive Director's contract and the notice period provided for in the contract, as well as any compensation for dismissal without cause.</p> <p>The remuneration report shall present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under analysis. Any material changes in the remuneration policy must be published on time on the company's website.</p>		
<p>D.1 The Company must organize an Investor Relations service – indicating to the general public the responsible person/persons or the organizational unit. In addition to the information required by the legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest for investors, including:</p>	Yes	
<p>D.1.1 Main corporate regulations: articles of association, procedures for the general shareholders' meetings;</p>	Yes	
<p>D.1.2 Professional CVs of the members of the company's management bodies, other commitments members of the Board, including executive and non-executive positions on the boards of directors of companies or non-profit institutions;</p>	Yes	
<p>D.1.3 Current reports and periodic reports (quarterly, half-yearly and annual) – at least those referred to in point D.8 – including current reports with detailed information on non-compliance with this Code;</p>	Yes	
<p>D.1.4 Information on general meetings of shareholders: agenda and information materials; procedure for electing members of the Board; arguments supporting proposals for candidates for election to the Board, together with their professional CVs; shareholders' questions on agenda items and company responses, including decisions Adopted;</p>	Yes	

D.1.5 Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of the rights of a shareholder, including the deadlines and principles applied to these operations. Information will be published within a time frame that allows investors to make investment decisions;

Yes

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D.1.6 Name and contact details of a person who will be able to provide, upon request, relevant information.	Yes	
D.1.7 Company presentations (e.g. investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	Yes	
D.2 The Company shall have a policy on the annual distribution of dividends or other benefits to shareholders, proposed by the Chief Executive Officer or the Executive Board and adopted by the Board, in the form of a set of guidelines that the Company intends to follow with respect to the distribution of net profit. Principles of the annual policy distribution to shareholders will be published on the company's website.	Not	The opportunity to draw up a Policy on the annual distribution of dividends will be analyzed
D.3 The Company shall adopt a policy in relation to forecasts, whether they are made public or not. Forecasts refer to quantified conclusions of studies aimed at establishing the overall impact of a number of factors regarding a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts initially presented. The forecast policy will set out the frequency, the period envisaged and the content of the forecasts. If published, forecasts can only be included in annual reports, half-yearly or quarterly. The forecast policy will be published on the company's website.	Not	The advisability of drawing up Forecasting Policies will be considered
D.4 The rules of the general meetings of shareholders shall not limit the participation of shareholders in the general meetings and the exercise of their rights. The changes to the rules will enter into force, the earlier, starting with the next shareholders' meeting.	Yes	
D.5 The external auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	Yes	
D.6 The Board shall submit to the Annual General Meeting of Shareholders a brief assessment of the systems of internal control and material risk management, as well as opinions on matters subject to the decision of the general meeting.	Partially	

D.7 Any specialist, consultant, expert or financial analyst may participate in the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists can also
general meeting of shareholders, unless the Chairman of the Board

Yes

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decides otherwise.		
D.8 The quarterly and half-yearly financial reports will include information in both Romanian and English on the key factors influencing changes in sales, operating profit, net profit and other relevant financial indicators, both quarter-on-quarter and year-on-year.	Yes	
D.9 A company will hold at least two meetings/teleconferences with analysts and investors every year. The information presented on these occasions will be published in the investor relations section of the company's website on the date of the meetings/teleconferences.	Not	The opportunity to organize teleconferences will be analyzed
D.10 Where a society supports various forms of artistic and cultural expression, sporting activities , educational or scientific activities and considers their impact on the character of the innovation and competitiveness of society are part of its mission and development strategy, it will publish policy on its work in this area.	Yes	

Chairman of the Board of Directors,
Turcu Vasile Cosmin

