

“Apply or Explain” Statement- March 2015
Corporate Governance Code of BSE

Principle/ Recommendation		Question	YES	NO	If NO, then EXPLAIN
P19		Is the issuer managed based on a two tier model?		X	According to the Articles of Association, the company is managed by the Board of Directors.
P1 A	R1	Has the issuer elaborated a Statute/Corporate Governance Regulation describing the main aspects of corporate governance?	X		
		Is the Statute/Corporate Governance Regulation posted on the website of the company, with the indication of the date at which the last update was made?	X		
	R2	Are the structures of corporative governance, the functions, competences and the responsibilities of the Board of Directors (B.D.) and of the executive management defined in the Statute/Corporate Governance Regulation?	X		
	R3	Does the Annual Report of the issuer provide a chapter dedicated to corporative governance in which all relevant events, related to the corporative governance registered during the previous financial year are described?	X		
		Does the issuer distribute on the company's website information with regard to the following aspects concerning its policy of corporative governance:			
		a) description of its structures of corporative governance?	X		
		b) updated Articles of Association?	X		
		c) internal rules of operation / their essential aspects for each specialty commission/committee?		X	The company operates based on GMP norms and in compliance with ISO 9001/2008 standards.
		d) „Apply or Explain” statement?	X		
	e) list of B.D. members, mentioning the members who are independent and/or non-executive, the members of executive management and of specialty commission/committee?	X			
f) a short variant of the CV for each member of the B.D. and of the executive management?	X				

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P2		Does the issuer respect the rights of holders of financial instruments issued by it, ensuring them an equitable treatment and submitting for approval within the special meetings of such holders any modification of the rights granted?	X			
P3	R4	Does the issuer publish in a dedicated section of its own website details regarding the progress of the General Meeting of Shareholders (GMS)? a) GMS convening notice	X			
		b) materials/documents related to the agenda, as well as any other information concerning the subjects on the agenda?	X			
		c) special power of attorney forms?	X			
	R6	Has the issuer elaborated and proposed to the GMS procedures for the orderly and efficient progress of GMS works, without prejudice to the right of any shareholder to express freely his/her opinion on matters debated?	X			
	R8		Does the issuer distribute on a dedicated section on its website the rights of the shareholders, as well as the rules and procedures for participating at the GMS?	X		
			Does the issuer ensure the notification in due time (immediately after the GMS took place) of all shareholders through the dedicated section on its own website: a) regarding the decisions taken during the GMS?	X		
			b) regarding the detailed result of the vote?	X		
			Does the issuer distribute through the special section from their own website, which is easy to identify and access: a) current reports/communiqués?	X		
			b) the financial calendar, annual, biannual and quarterly reports?	X		
	R9	Is there within the company of the issuer a department/specialised person dedicated to the relationship with the investors?	X			
P4, P5	R10	Does the B.D. gather for at least once per quarter in order to monitor the issuer’s activity progress?	X			
	R12	Does the issuer have a set of rules related to the conduct and obligations of reporting the transactions with the shares or any other financial instruments issued by the company				

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		("transferable securities of the company") performed on their account by the administrators or other individuals involved?	X		
		If a member of the B.D. or of the executive management or any other person involved performs on his/her own account a transaction with company's securities, is the transaction distributed via the website of the company, according to associated rules?	X		
P6		Does the structure of the Board of Directors of the Issuer ensure a balance between the executive and non-executive members (and particularly independent non-executive administrators) so that no other person or limited group of persons can dominate, generally, the decisional process of the B.D.?	X		Non-executive directors were appointed by the General Meeting of Shareholders
P7		Does the structure of the Board of Directors ensure a sufficient number of independent members?		X	Non-executive directors were appointed by the General Meeting of Shareholders
P8	R15	Does the B.D. have in its activity support from some advisory committees/commissions for examining some specific topics, chosen by the B.D. and for its counselling with regard to these topics?		X	The Audit Committee is in course of being reconstituted.
		Do the advisory committees/commissions submit activity reports to the B.D. concerning the topics assigned by it?		X	It is not the case.
	R16	Does the Board of Directors use in evaluating the independence of its non-executive members all the evaluation criteria listed at Recommendation 16?	X		
	R17	Do the B.D. members improve permanently their knowledge by training/preparation in the corporative governance field?	X		
P9		Is the election of B.D. members based on a transparent procedure (objective criteria regarding the personal/professional etc. qualification)?	X		
P10		Is there a Nomination Committee within the company?		X	It shall be constituted when necessary.
P11	R21	Does the Board of Directors analyse at least once per year the need to establish a Committee for remuneration/remuneration policy for administrators and members of the executive management?	X		
		Is the remuneration policy approved by the GMS?	X		
	R22	Is there a Remuneration Committee formed exclusively of non-executive administrators?		X	In course of constitution.
	R24	Is the remuneration policy of the company presented in			

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		the Statute/Corporate Governance Regulation?	X		
P12, P13	R25	Does the issuer distribute the information representing the subject of reporting requirements in English: a) periodical information (periodical provision of information)?	X		
		b) continuous information (continuous provision of information)?	X		
		Does the issuer prepare and distribute financial reporting and according to IFRS?	X		
	R26	Does the issuer promote, at least once per year, meetings with financial analysts, brokers, rating agencies and other market specialists in order to present financial elements relevant to the investment decision?	X		
	R27	Is there an Audit Committee within the company?		X	The Audit Committee is in course of being reconstituted.
	R28	Does the Board of Directors or the Audit Committee, if applicable, examine regularly the efficiency of financial reporting, the internal control and the management system for the risk adopted by the company?	X		
	R29	Is the Audit Committee exclusively formed of non-executive administrators and does it have a sufficient number of independent administrators?		X	It is not the case; the Audit Committee is in course of being reconstituted.
	R30	Does the Audit Committee gather for at least 2 per year, these meetings being dedicated to the elaboration and distribution of biannual and annual results towards shareholders and the public?		X	It is not the case; the Audit Committee is in course of being reconstituted.
	R32	Does the Audit Committee make recommendation to the B.D. regarding the election, appointing, re-appointing and replacing the financial auditor, as well as the terms and conditions regarding its remuneration?		X	It is not the case; the Audit Committee is in course of being reconstituted.
P14		Did the B.D. adopt a procedure in order to identify and properly settle the situation of conflict of interest?	X		
P15	R33	Do administrators inform the B.D. with regard to conflicts of interest as they occur and do they abstain from debates and voting for such matters, in compliance with applicable legal provisions?	X		
P16	R34/ R35	Did the B.D. adopt specific procedures in order to ensure the correctness of the procedure (criteria of identification of transactions with significant impact, of transparency, of objectiveness, of non-competition etc.) so as to		X	Procedure in course of finalization

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		identify the transactions with involved parties?			
P17	R36	Did the B.D. adopt a procedure regarding the internal circuit and the disclosure to third parties of documents and information concerning the issuer, granting special importance to the information that can influence the evolution of market price of transferable securities issued by it?	X		
P18	R37/ R38	Does the issuer carry out activities regarding Social and Environment Responsibility of the Company?	X		

B.D. CHAIRMAN

Dănuț VASILE