

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation		Question	YES	NO	If NOT, please EXPLAIN
P19		Is the issuer managed under a dualist system?		NO	Pursuant to the provisions of SIF Banat-Crișana By-Laws, approved by the General Meeting of Shareholders, the company is managed under a unitary system.
P1	R1	Has the issuer drawn up the By-Laws/Corporate Governance Regulations to describe the main aspects of the corporate governance?	YES		
		Are The By-Laws/Corporate Governance Regulations (mentioning the date of its last update) posted on the company website?	YES		
	R2	In the By-Laws/Corporate Governance Regulations are there defined the corporate governance structures, positions, components and responsibilities of the Board of Directors (BoD) and of the executive management?	YES		
	R3	Has the Issuer's Annual Report a chapter on corporate governance which describes all the relevant events related to corporate governance, recorded in the previous financial year?	YES		
		Does the issuer disclose on the company website the information related to the following aspects of their corporate policy:	YES		
		a) a description of their corporate governance structures?			
		b) the updated Articles of Incorporation?	YES		
c) the operation bylaws/essential aspects for each specialty?		YES			
d) the "Comply or Explain" Statement?	YES				
e) the list of the members of the Board of Directors mentioning which members are independent and/or nonexecutive, which are members of the executive management and of the specialty commissions/committees?	YES				

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		f) a brief CV for each member of the Board of Directors and for the executive management?	YES			
P2		Does the issuer abide by the rights of the financial instrument holders, providing them with equal treatment and submitting any modification of their rights to the approval of the special meetings?	YES			
P3	R4	Does the issuer publish in a section of the website the details of the General Meetings of Shareholders (GMS): a) GMS convening notice?	YES			
		b) the materials/documents relating to the items on the agenda, as well as any other information regarding the items on the agenda?	YES			
		c) special proxy forms?	YES			
	R6	Has the Issuer drawn up and proposed to the GMS the procedures for an orderly and efficient holding of the GMS without any prejudice to the right of any shareholder to freely express their opinion on the topics subject to the debates?	YES			
	R8		Does the issuer publish in a section of the website the details of the shareholders' rights as well as the rules and procedures for the attendance at GMS?	YES		
			Does the issuer provide the information in due time (immediately after the GMS) to all the shareholders through the separate section on their website: a) on the resolutions approved by the GMS?	YES		
			b) on the detailed result of voting?	YES		
			Do the issuers disclose through the special section of their website, easily identifiable and accessible: a) current reports / press releases?	YES		
			b) the financial calendar, the annual, quarterly and half-yearly reports?	YES		

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	R9	Has the Issuer set up a special department or has appointed a person responsible with the relation with the investors?	YES		
P4, P5	R10	Does the Board of Directors meet at least once every quarter to monitor the activity of the issuer?	YES		
	R12	Does the issuer have a set of rules referring to the reporting conduct and reporting obligations of the transactions of the shares or other financial instruments issued by the company („company's securities") made on their behalf by the board members and other related natural persons?	YES		
		If a member of the Board of Directors or a member of the executive management or any other related person makes on their own account a transaction with the Company's securities, then, is the transaction disclosed on the company's website, according to the applicable rules?	YES		
P6		Does the structure of the Board of Directors of the Issuer ensure a balance between the executive and non-executive members (and especially independent non-executive board members) so that no person or group of persons may dominate the decision-making process of the Board of Directors?	YES		
P7		Does the structure of the Board of Directors provide a sufficient number of independent members?	YES		
P8	R15	During their activity, does the Board of Directors have the support of the consultative commissions/committees for the analysis of specific topics, assigned by the Board of Directors, in order to counsel the Board on such topics?	YES		
		Do the consultative commissions/committees forward activity reports to the Board of Directors on specific topics assigned to them?	YES		
	R16	For the assessment of the independence of their non-executive members, does the Board of Directors use the assessment criteria listed in the Recommendation 16?	YES		

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	R17	Do the members of the Board of Directors permanently improve their knowledge through training/formation in the corporate governance field?	YES		
P9		Is the appointment of the members of the Board of Directors based on a transparent procedure (objective criteria regarding the personal/professional qualification etc.)?	YES		
P10		Is there an Appointment Committee within the company?		NO	The eligibility criteria for the members of the board are set forth in SIF Banat-Crișana By-Laws and Regulation no. 15/2004. The entire Board of Directors examines the nominations for board members and it was not deemed necessary to reduce the number of board members who participate at these nominations.
P11	R21	Does the Board of Directors assess at least once a year the need to have a remuneration committee/remuneration policy for the members of the Board of Directors and of the executive management?	YES		
		Has the remuneration policy been approved by the GMS?	YES		
	R22	Is there a Remuneration Committee consisting exclusively of non-executive members of the Board of Directors?		NO	Company's general meeting of shareholders approves: (i) the remunerations due to the members of the Board of Directors for each fiscal year; (ii) the general limits of the additional remunerations of the members of the Board of Directors; (iii) the general limits of the remuneration of the executive directors. The entire Board of Directors examines, on an annual basis, the remuneration policy.
	R24	Is the company remuneration policy of the company provided in the By-Laws/Corporate Governance regulations?	YES		

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P12, P13	R25	Does the issuer disclose, in English, the information representing the subject of the reporting requirements:	YES			
		a) periodic information (providing information on a regular basis)?				
		b) continuous information (providing information on a permanent basis)?	YES			
			Does the Issuer prepare and disclose the financial reporting also according to IFRS?	YES		
	R26	Does the issuer promote, at least once a year, meetings with financial analysts, brokers, rating agents and other market specialists in order to present the financial elements relevant to the investment decision?	YES			
	R27	Is there an Audit Committee within the company?	YES			
	R28	Does the Board of Directors or the Audit Committee, as appropriate, assess on a regular basis the efficiency of financial reporting, internal control and the risk management system adopted by the company?	YES			
	R29	Is the Audit Committee comprised exclusively of non-executive members of the Board of Directors and is it comprised of a sufficient number of independent members of the Board of Directors?	YES			
R30	Does the Audit Committee meet at least twice a year; are these meetings dedicated to drawing up and disseminating half year and annual results to the shareholders and the public?	YES				
R32	Does the Audit Committee make recommendations to the Board of Directors regarding the selection, appointment, re-appointment and replacement of the financial auditor, as well as the terms and conditions of its remuneration?	YES				
P14		Has the Board of Directors adopted a procedure in order to identify and settle any conflicts of interests?	YES			

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P15	R33	Do Board members inform the Board of Directors on the conflicts of interests as they occur and do they refrain from debates and the vote on those matters, according to the relevant legal provisions?	YES		
P16	R34/R35	Has the Board of Directors adopted specific procedures in order to provide the procedural compliance (criteria to identify the transactions with significant impact, of transparency, impartiality, non-competition etc.) in order to identify the transactions with related parties?	YES		
P17	R36	Has the Board of Directors adopted a procedure on the internal flow and disclosure to third parties of the documents and information regarding the Issuer, focusing on the information that can influence the price of the securities issued by the company?	YES		
P18	R37/R38	Does the issuer carry out activities of Corporate Social and Environmental Responsibility?	YES		

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 Chairman & CEO