

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 the two-tier (dualist) system?		NO	In accordance with the provisions in SIF Banat-Crișana By-Laws, as approved by the general meeting of the shareholders, the company is managed under the one-tier (unitary) system.
P1	R1	Has the Issuer drawn up the By-Laws/Corporate Governance Regulation to describe the main aspects of the corporate governance?	YES		
		Are the By-Laws/Corporate Governance Regulation (mentioning the date of its last update) posted on the company website?	YES		
	R2	In the By-Laws/Corporate Governance Regulation are there defined the corporate governance structures, positions, competences and responsibilities of the Board of Directors 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 company website the information related to the following aspects of its corporate governance policy:	YES		
		a) a description of its corporate governance structures?	YES		
		b) the updated Articles of Incorporation?	YES		
	c) the internal regulation governing the functioning/its essential aspects for each specialized commission/committee ?	YES			

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation		Question	YES	NO	If NOT, please EXPLAIN
		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 non-executive, of the members of the executive management and of the specialized commissions/committees?	YES		
		f) a brief version of the CV of each member of the Board of Directors and of the executive management?	YES		
P2		Does the Issuer abide by the rights of the financial instruments holders, ensuring them equal treatment and submitting any changes of the granted rights for approval in the special meetings of such holders?	YES		
P3	R4	Does the Issuer publish in a special section of its website the details of the holding of the General Meetings of Shareholders (GMS): a) the 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) the templates of the special power of attorney ?	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 disclose in a special section on its website the shareholders' rights as well as the rules and procedures for the	YES		

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation	Question	YES	NO	If NOT, please EXPLAIN
	attendance at the GMS?			
	Does the Issuer provide the information in due time (immediately after the GMS) to all the shareholders through the special section on its website:	YES		
	a) on the resolutions passed by GMS?			
	b) on the detailed result of voting?	YES		
	Do the Issuers disclose through the special section of their website, that is easily identifiable and accessible:	YES		
	a) current reports/press releases?			
	b) the financial calendar, the annual, quarterly and half-yearly reports?	YES		
	R9	Has the Issuer set up a special department or has appointed a person dedicated to the relation with investors?	YES	
P4, P5	R10	Does the Board of Directors meet at least once every quarter for supervising the activity of the Issuer?	YES	
	R12	Has the Issuer a set of rules referring to the conduct and reporting obligations relating to the trading of the shares or of other financial instruments issued by the Company ("Company's securities") made on their account by the members of the Board of Directors 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	YES	

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation		Question	YES	NO	If NOT, please EXPLAIN
		transaction disclosed via the company website, according to the applicable rules?			
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	In the course of its activity, does the Board of Directors have the support of the consultative commissions/committees which deal with 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 submit activity reports to the Board of Directors on the 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		
	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		

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation		Question	YES	NO	If NOT, please EXPLAIN
P10		Is there an Appointment Committee within the company?		NO	The eligibility criteria for the members of the Board of Directors are set forth in SIF Banat-Crișana By-Laws and CNVM 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 to 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 made up 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 financial 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 remuneration policy of the company provided in the By-Laws/Corporate Governance Regulation?	YES		
P12, P13	R25	Does the Issuer disclose, in English, the information representing the subject of the reporting requirements:	YES		

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation	Question	YES	NO	If NOT, please EXPLAIN
	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 with the view to representing the financial elements relevant for 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 disclosing half year and annual results to the shareholders and 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	YES		

Statement "Comply or Explain"

in accordance with the Bucharest Stock Exchange Corporate Governance Code

Principle / Recommendation		Question	YES	NO	If NOT, please EXPLAIN
		conditions of its remuneration?			
P14		Has the Board of Directors adopted a procedure with a view to identify and settle any conflicts of interests?	YES		
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 significant impact transactions, of transparency, impartiality, non-competition, etc.) with the view 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 regarding the Company's Social and Environmental Responsibility?	YES		

Arad, March 20, 2013

Dragoș-George BÎLTEANU

Chairman & CEO