

**Annex to the Annual Report
related to the financial year 2018**

Statement on the Corporate Governance

Sections	Provisions to be replaced	YES	NO	If NO, then Explain
A.1.	The company must have an Internal Regulation of the Board of Directors that includes terms of reference related to the Board and the key management functions of the company. The administration of the conflict of interests at the Board level should also be dealt with in Board Regulation.	YES		
A.2.	Any other professional engagements of the Board members, including the position of executive or non-executive Board member in other companies (excluding affiliated companies) and non-profit institutions, will be brought to the attention of the board prior to the appointment and during the term of the mandate.	YES		
A.3.	Each member of the board shall inform the Board of any relationship with a shareholder who directly or indirectly has shares representing not less than 5% of the total voting rights.	YES		
A.4.	The annual report must inform whether an evaluation of the Board has taken place under the chairmanship of the President. It must also contain the number of meetings of the Board.		NO	In the course of 2019, the evaluation criteria will be developed by the Board of Directors
A.5.	The procedure on the cooperation with the Authorized Consultant for the period during which this cooperation is imposed by the Bucharest Stock Exchange shall contain at least the following:			
A.5.1.	The contact person with the Authorized Consultant	YES		
A.5.2.	The frequency of the appointments with the Authorized Consultant that will be at least once a month and whenever events or new information involve the submission of current or periodic reports so that the Authorized Consultant can be consulted.	YES		

A.5.3.	Obligation to provide the Authorized Consultant with all relevant information and any information that is reasonably required by the Authorized Consultant or is necessary to the Authorized Consultant in fulfilling his/her responsibilities;	YES		
A.5.4.	Obligation to inform the Bucharest Stock Exchange about any malfunction occurring in the framework of the cooperation with the Authorized Consultant.	YES		
B.1.	The Board will adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the net assets of the company, according to the most recent financial reports, is approved by the Board.		NO	The company has no subsidiaries. If they shall be set up, the Board will adopt a policy in this respect.
B.2.	The internal audit must be carried out by a separate organizational structure (internal audit department) within the company or by the services of a third independent party, who will report to the Board and within the company will report directly to the General Manager.	YES		
C.1.	The Company will publish in the annual report a section that will include the total revenues of the members of the Board and of the general manager for the respective financial year and the total value of all bonuses or of any variable compensation and, as well as the key assumptions and principles for calculating the incomes mentioned above.	YES		
D.1.	In addition to the information provided in the legal provisions, the company's website will contain a section dedicated to the Relation with the Investors, both in Romanian and English languages, with all relevant information of interest to the investors, including:	YES		
D.1.1.	The main regulations of the company, in particular the constitutive act and the internal regulations of the statutory bodies;	YES		
D.1.2.	The CVs of statutory body members	YES		
D.1.3.	The current reports and the periodical reports;	YES		
D.1.4.	Information on shareholders' general meetings; the agenda and the related materials; decisions of general meetings.	YES		

D.1.5.	Information on the corporate events such as the payment of dividends or other events that result in obtaining or limiting the rights of a shareholder, including deadlines and the principles of such operations;	YES		
D.1.6.	Other extraordinary information that should be made public: cancellation / modification / initiation of cooperation with an Authorized Consultant: signing / renewing / terminating an agreement with a Market Marker.	YES		
D.1.7.	The company must have a function of Relations with the Investors and to include in the dedicated section of this function, on the Company's website, the names and contact details of a person who is able to provide the appropriate information upon request.	YES		
D.2.	A company must have adopted a company's dividends policy as a set of directives relating to the distribution of the net profit that the company claims to respect. The principles of the dividend policy should be published on the company's website.		NO	This provision is due to be fulfilled in the year 2019
D.3.	A company must have adopted a policy on forecasts to be published on the company's website.		NO	This provision is due to be fulfilled in the year 2019
D.4.	A company must set the date and place of a general meeting so as to allow the participation of as many shareholders as possible.	YES		
D.5.	The financial reports will include information in both Romanian and English languages on the main factors which are influencing changes in sales, operating profit, net profit or any other relevant financial indicator.	YES		
D.6.	The company will hold at least one meeting / telephone conference with analysts and investors each year. The information presented on these occasions will be published in the Relations with the Investors section from the company's website at the time of that meeting / telephone conference.		NO	It was considered that the continuous and periodic reports prepared by the company for the disclosure of the financial items were relevant from the point of view of the information necessary for the investors.

**SOLE ADMINISTRATOR
IOAN PAUNA**