BUCHAREST STOCK EXCHANGE
CORPORATE GOVERNANCE CODE

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PREAMBLE

The companies admitted to trading on the regulated market of the Bucharest Stock Exchange (BVB) ("issuers") shall adopt and comply with the provisions of the present Corporate Governance Code ("CGC" or the "Code") on a voluntary basis.

The issuers adopting wholly or partially the Code, shall yearly disclose to BVB a Corporate Governance Compliance Statement ("Statement"), specifying which recommendations of the Code have actually been implemented by the relative companies and how. The Statement shall be disclosed in a format previously established by the BVB.

The information obligation relates to the principles and recommendations provided by in each article of the Code.

When referred to the Code's principles and recommendations, which contain provisions regarding the issuers, their directors, auditors, shareholders or other company's bodies, each issuer shall provide accurate, correct, concise, easily understandable information on the manner in which said recommendations have been concretely implemented during the period to which the annual Statement refers.

Should the issuer fail to implement, in whole or in part, one or more recommendations, it shall supply adequate information with regard to the reasons for the omitted or partial application.

While the Code is intended predominantly for companies whose financial instruments are listed on the regulated market, this does not prevent other companies from adopting and following these principles to an appropriate degree.

The present Code contains certain recommendations that are supplementary provisions to legal obligation under the laws of Romania (e.g. Companies Act, the Accounting Act, the Capital Market Act, etc.).

Bucharest Stock Exchange shall monitor the implementation of this Code and its on-going annual development, in accordance with the relative legislation in force, as the case may be.

The present Code replaces the BSE Corporate Governance Code adopted in 2001.

The issuers are obliged to include in their Annual Report, starting with the fiscal year 2009, the Corporate Governance Compliance Statement (the "comply or explain" statement).

In this Code, the terms "shareholder", "shares", "AGM / GSM", "Issuer", "company / corporation / commercial company", "Board of Directors / Supervisory Board / Managers / Directorate" shall also refer, as requested and/or permitted by the context, to other types of BVB listed financial instruments (other than equities), general meetings of holders of other types of BVB listed financial instruments, any legal entity issuing BVB listed financial instruments, respectively any management and control system specific to such issuer, as the case may be.

Nevertheless, the terms used by the Code have the same meaning as stipulated by the corporate, commercial and capital market legal norms.

ART. 1 – CORPORATE GOVERNANCE FRAMEWORK

PRINCIPLE I

The issuers will adopt a clear and transparent corporate governance framework, which shall be adequately disclosed to the general public.

Rec. 1: The issuers shall draw up a Corporate Governance (CG) Charter/Regulations describing the main aspects of its corporate governance. The issuers corporate governance framework should be defined in the *Corporate Governance Charter/Regulations*.

Rec. 2 : The corporate governance framework should set out the respective functions of the Board of Directors (BoD) and management, as well as their powers and responsibilities.

Rec. 3 : In the annual report, the issuers shall provide a Corporate Governance Chapter describing all the relevant events connected with corporate governance that took place in the preceding financial year. If an issuer chooses not to fully implement one or more of the recommendations of the present Code, it should explain its decision in the CG Chapter of its annual report, as well as in the "comply or explain" statement.

ART. 2 - THE SHARE & OTHER FINANCIAL INSTRUMENTS HOLDERS' RIGHTS

Principle II:

The issuers shall respect the rights of their share- and other financial instruments holders and ensure they receive equitable treatment

Principle III:

The issuers shall endeavour their best efforts to establish a policy of effective and active communication with their share- and other financial instruments holders.

Rec. 4 : All financial instruments holders, of the same series of a class, in the issuers must be treated equitably; all financial instruments of the same series of a class, must carry the same rights and any changes in the rights they offer should be subject to voting by the affected holders.

Rec. 5 : **The issuers shall use their best efforts to facilitate the participation of their shareholders to the Shareholders General Meetings (SGM), as well as the full exercise of their rights.**

Rec. 6 : The issuers shall propose, to the approval of the SGM, rules laying down the procedures to be followed in order to permit an orderly and effective conduct of the SGMs of the issuer, without prejudice, however, to the right of each shareholder to freely express his/her opinion on the matters under discussion.

Rec.7 : The SGM should enable and encourage the dialogue between the shareholders and the board members and/or companies' executives The companies should encourage their shareholders to take part in meetings, the ones who cannot attend should be able to vote in absentia, e.g. by a special proxy.

Rec. 8 : The issuers shall use their best efforts to ensure their shareholders' access to the relevant material information, so as to allow the same to fully exercise their rights in an equitable manner. To such purpose, the issuers shall establish a specific section on their web page, that may be easily identified and accessed, in which the above-mentioned information is available. The relevant information will consist, without limitation, in: procedures provided for the access and participation in the shareholders' meetings, the exercise of the voting rights in the shareholders' meetings, the documentation relating to items on the agenda of the shareholders' meetings, special proxies' templates, the financial calendar, etc.

Rec. 9 : The issuers shall establish an adequate structure, responsible for handling the relationships with the investors, in general, and the companies' shareholders, in particular. The nominated persons, responsible to ensure such a liaison shall be specifically trained, on a periodical basis.

ART. 3 – THE ROLE AND DUTIES OF THE BOARD

PRINCIPLE IV:

The issuers are governed by a Board of Directors that meets at regular intervals, and that adopts decisions, which enable it to perform its functions in an effective and efficient manner.

PRINCIPLE V:

The board of an issuer will be responsible for its management. It will act to the best interests of the company and will protect the general interests of the shareholders by ensuring the sustainable development of the company. It will function in a well-informed manner as a collective body.

Rec. 10 : The board should meet as often as it is necessary for the effective discharge of its obligations. It would be appropriate for the board to meet at least once a quarter, in order to monitor the development of the company's activities.

Rec. 11 : The board should adopt appropriate rules in order to avoid its members or the company's employees becoming guilty of insider dealing or market manipulation of its securities. The Audit Committee and the internal auditor should regularly provide the members of the board with information on the provisions governing these areas.

Rec. 12 : The board should formulate a set of rules regarding the behaviour and notification obligations in relation to transactions in the company's shares or other financial instruments (the "company's securities") carried out for their own account by directors and other individuals bound by these obligations. The Rules should expressly specify which information, regarding those transactions, should be disclosed to the market.

Rec. 13 : The Board of Directors shall, *inter alia*:

a) examine and approve the company's strategic, operational and financial plans and the corporate structure of the group it heads, if any;

b) evaluate the adequacy of the organizational, administrative and accounting structure of the issuer and its subsidiaries, having strategic relevance;

c) evaluate the general performance of the company and periodically compare the results achieved with those planned;

d) examine and approve in advance transactions carried out by the issuer and its subsidiaries having a significant impact on the company's profitability, assets and liabilities or financial position, paying particular attention to transactions involving related parties; to this end, the board shall establish general criteria for identifying the transactions which might have a significant impact;

e) evaluate, at least once a year, the size, composition and performance of the Board of Directors and its committees, if any;

f) provide information, in the Chapter related to corporate governance from the Issuer's Annual Report, on the application of the present Code and, in particular, on the number of meetings of the board and of the executive committee, if any, held during the fiscal year, plus the related percentage of attendance of each director.

ART. 4 – COMPOSITION OF THE BOARD

PRINCIPLE VI

Without any prejudice to the principles of the Board decision-making process, the composition of an issuer's board should ensure a balance of executive and non-executive directors (and in particular independent non-executive directors) insofar that no individual or small group of individuals can dominate the board's decision taking.

PRINCIPLE VII

An adequate number of non-executive directors shall be independent, in the sense that they do not maintain, nor have recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to the issuer, of such a significance as to influence their autonomous judgement. Renunciation to a term, by an independent director, shall be accompanied by an extensive, detailed statement regarding the reasons for such action.

PRINCIPLE VIII

The Board has a number of members that warrants an effective capacity to supervise, scrutinise and evaluate the activity of the executive directors and the fair treatment of all the shareholders

Rec. 14 : The composition of the board will be balanced so as to enable it to take well-informed decisions. Decision-making process will remain a collective responsibility of the board, which remains fully answerable for decisions taken within its field of competence.

Rec. 15 : The board should ensure that consultative committees are constituted to examine specific topics chosen by the board and to advise the board about them.

Rec. 16 : The Board of Directors shall evaluate the independence of its non-executive members. Criteria should be based on due consideration of at least the following situations:
a) a non-executive or supervisory director is not an executive director (or manager) of the company or of an entity controlled by it, and has not been in such a position for the previous five years ;
b) is not an employee of the company or of an entity controlled by it, and has not been in such a position for the previous five years ;

c) does not receive, and has not received, significant additional remuneration from the company or of an entity controlled by it, apart from a fee received as a non-executive or supervisory director;
d) is not and does not represent in any way a strategic shareholder with a 10% or a greater holding ;
e) does not have, and has not had within the last financial year, a significant business relationship with the company or of an entity controlled by it, either directly or as a partner, shareholder, director or senior employee of a body having such a relationship. Business relationships include the situation of a significant supplier of goods or services (including financial, legal, advisory or consulting services), of a significant customer of the company, and of organisations that receive significant contributions from the company or its group ;
f) is not, and has not been within the last three years, a partner or an employee of the present or former external auditor of the company or of an entity controlled by it;
g) is not an executive director (or manager) in another company in which an executive director (or manager) of the company is a non-executive or supervisory director, and does not have other significant links with executive directors (or managers) of the company due to positions held in other companies or bodies ;
h) has not served on the board or supervisory board as a non-executive (or supervisory) director for more than three terms;
i) is not a close family member – spouse or a relative up to the IV degree - of an executive director or manager, or of persons in the situations referred to in points (a) to (h) above.

Rec. 17 : Directors should update their skills and improve their knowledge of the company's activity, as well as of the corporate governance best practices, with a view to fulfilling their role both on the board and, where relevant, on committees of the board.

ART. 5 - APPOINTMENT OF DIRECTORS

PRINCIPLE IX

The appointment of Directors should be a formal, rigorous and transparent procedure. Such procedure shall use objective criteria and ensure timely adequate information on the personal and professional qualifications of the candidates. The cumulative voting shall constitute an adequate procedure for the appointment of Directors.

PRINCIPLE X

The Board of Directors shall evaluate whether to establish among its members a nomination committee made up, mainly, of independent directors.

Rec. 18 : The lists of candidates to the office of director, accompanied by exhaustive information on the personal traits and professional qualifications of the candidates, with an indication where appropriate of their eligibility to qualify as independent directors shall be deposited at the company's registered office at least fifteen (15) days before the date fixed for the shareholders' meeting.; the lists shall be published, in due time, on the company's website.

Rec. 19 : Where established, the nomination committee should lead the process for board appointments and make recommendations to the board to propose candidates for the position of director.

Rec. 20 : The nomination committee should evaluate the balance of skills, knowledge and experience on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

ART. 6 – REMUNERATION OF DIRECTORS

PRINCIPLE XI

The company will secure the services of good quality directors and executive managers by means of a suitable remuneration policy that is compatible with the long-term interests of the company.

Rec. 21 : The board should establish a remuneration committee from among its members, to assist in formulating a remuneration policy for directors and managers and it should define the committee's internal regulations. Until a remuneration committee has been set up, the board should deal with these tasks and responsibilities at least once a year. The remuneration policy shall be subject to AGM approval.

Rec. 22 : The remuneration committee should be composed exclusively of non-executive directors; it should contain a sufficient number of independent directors.
The board should ensure that the remuneration committee has access to the necessary skills to effectively fulfil its role. The remuneration committee may seek assistance from external experts for the fulfilment of its duties, on issuer's account.

Rec. 23 : The remuneration committee should submit proposals to the board regarding the remuneration of directors and managers, ensuring that these proposals are in accordance with the remuneration policy adopted by the company. The remuneration of non-executive directors should be proportional to their responsibilities and the time devoted to their functions.

Rec. 24 : The company should disclose its remuneration policy in its CG Charter. The total amount of direct and indirect remuneration received by directors and executive managers by virtue of their position should be disclosed in the annual report; a distinction should be made between the fixed and the variable components of this remuneration.

ART. 7 – TRANSPARENCY, FINANCIAL REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT

PRINCIPLE XII

The corporate governance framework must ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership and governance of the company

PRINCIPLE XIII

The board will establish strict rules, designed to protect the company's interests, in the areas of financial reporting, internal control and risk management.

Rec. 25: The issuers shall prepare and disseminate relevant timely and continuous information in accordance with high quality standards of accounting and financial and non-financial disclosure, i.e. ESG (environment, social and governance) reporting. The information shall be disclosed both in Romanian and English languages.

Rec. 26 : The issuers shall promote at least one annual meeting with analysts, brokers, rating agencies and other market experts aiming at providing analyses relevant to decisions by investors.

Rec. 27 : The board should establish an audit committee, from among its members, to assist in the discharge of its responsibilities in the areas of financial reporting, internal control and risk management. Until an audit committee has been set up, the board should deal with these tasks and responsibilities, in close collaboration with the internal and external auditors; to this purpose the Board should meet at least twice a year with the internal and external auditors to discuss issues connected with financial reporting, internal control and risk management.

Rec. 28 : The board or, where relevant, the audit committee, should regularly examine the effectiveness of the financial reporting, internal control and risk management system adopted by the company; it should make sure that the audits carried out and the subsequent audit reports conform to the audit plan approved by the board or the audit committee.

Rec. 29 : The audit committee should be composed exclusively of non-executive directors; it should contain a sufficient number of independent directors.

Rec. 30 : The audit committee should meet as often as it deems necessary, but at least twice a year, when it will deal with the half-yearly and yearly results and their disclosure to the shareholders and the public.

Rec. 31 : The audit committee should assist the board in monitoring the reliability and integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting standards applied by the company (including the consolidation criteria).

Rec. 32 : The audit committee should be informed of the external auditor's work programme and receive a report from the auditor describing all existing relationships between the external auditor on the one hand and the company and its group on the other hand. The audit committee should make recommendations to the board regarding the selection, appointment, reappointment and removal of the external auditor and, in addition, the terms and conditions of their remuneration. It should monitor the independence and objectivity of the external auditor, in particular by monitoring the rotation of the partners of the audit firm.

ART. 8 – CONFLICTS OF INTERESTS AND RELATED PARTIES TRANSACTIONS

PRINCIPLE XIV

The Board of Directors shall adopt operating solutions suitable to facilitate the identification and an adequate handling of those situations in which a director is bearer of an interest on his/her behalf or on behalf of third parties.

PRINCIPLE XV

The directors will take decisions in the interests of the company and will refrain from taking part in any deliberation or decision that creates a conflict between their personal interests and those of the company or any subsidiary controlled by the company.

PRINCIPLE XVI

The Board of Directors shall, after consulting with the internal control body, establish approval and implementation procedures for the transactions carried out by the issuer, or its subsidiaries, with related parties.

Rec. 33 : Each director should take care to avoid any direct or indirect conflict of interest with the company or any subsidiary controlled by the company. She/He should inform the board of conflicts of interest as they arise and refrain from deliberating or voting on the relevant issue, in accordance with the relevant legal provisions.

Rec. 34 : The Board shall adopt best practices for ensuring a substantial procedural fairness of related-parties transactions. To this aim, it will use at least the following criteria:

- **reserving to the competence of the board the approval of the most important transactions;**
- **the provision of a prior opinion of the internal control body;**
- **entrusting negotiations to one or more independent directors (or directors having no ties with the related party);**
- **the recourse to independent experts (possibly selected by independent directors).**

Rec. 35: The procedures adopted by the Board will define, in particular, the specific transactions (or shall determine the criteria for identifying those transactions), which must be approved after consulting with the internal control body and/or with the assistance of independent experts.

ART. 9 - TREATMENT OF CORPORATE INFORMATION

PRINCIPLE XVII

Directors and managers shall keep confidential the documents and information acquired in the performance of their duties and shall comply with the procedure adopted by the issuer for the internal handling and disclosure to third parties of such documents and information.

Rec. 36: The managers shall ensure the correct handling of corporate information; to this end they shall propose to the Board of Directors the adoption of a procedure for the internal handling and disclosure to third parties of documents and information concerning the issuer, having special regard to price sensitive information.

ART. 10 – CORPORATE SOCIAL RESPONSIBILITY

PRINCIPLE XVIII

The corporate governance framework must know and recognize the legally established rights of stakeholders and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

Rec. 37: The issuers shall endeavour their best efforts to integrate economic, social and environmental concerns in their business operations and in their interaction with their stakeholders.

Rec. 38: The issuers shall enhance the role of employees, their representatives and their trade unions, as well as that of external stakeholders, including creditors, consumers and investors in the development and implementation of corporate social responsibility (*CSR*) practices.

ART. 11 - MANAGEMENT AND CONTROL SYSTEMS

PRINCIPLE XIX

When a two tier management and control system is adopted, the above articles shall apply insofar as compatible, adapting individual provisions to the two tier system, consistently with the objectives of good corporate governance, transparency of information and protection of investors and the markets, pursued by the Code and in conformity with this article.

Rec. 39: Whenever a new management and control system is proposed, the directors shall inform the shareholders and the market with regard to the reasons for such proposal, as well as on how it is envisaged that the Code will be applied to the new management and control system.

Rec. 40: The issuer shall describe, in detail, in the Chapter dedicate to corporate governance of the first Annual Report, published after the modification of the management and control system, how the Code has been applied to such system.

Rec. 41: In the event of adoption of the two tier management and control system, the Code shall be applied according to the following criteria:
a) except as provided in paragraph (b) below, the articles of the Code that make reference to the Board of Directors and the Board of Managers, or their members, are applied, in principle, to the Supervisory Board and the Directorate, or their members respectively;
b) due to the specific options of the by-laws adopted, in the configuration of the management and supervisory bodies also in consideration of the number of members and the powers and duties attributed to them, and of the specific circumstances existing, the issuer may apply the provisions concerning the Board of Directors or directors to the Supervisory Board or its members;
c) the provisions relating to the appointment of directors provided by Article 5 of this Code shall apply, insofar as compatible, to the appointment of the members of the Supervisory Board and/or the members of the Directorate.