

Statement regarding the application of corporate governance principles

According to the provisions of FSA Regulation no. 2/2016 regarding the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority

No	Rules for corporate governance principles application	Compliance		If NO, explain
		YES	NO	
1	The regulated entity has stated in its Memorandum of Association, the basic responsibilities of the council regarding the implementation and abidance by the corporate governance principles.	X		
2	The corporate governance structures, positions, competencies and responsibilities of the Board and executive management/ higher management are stated in internal policies and/or internal regulations.	X		
3	The annual report of the regulated entity is accompanied by an explanatory note which describes relevant events in connection to the application of corporate governance principles, recorded during the financial year.	X		
4	The regulated entity has drafted a communication strategy with the interested parties in order to insure proper information.	X		
5	The structure of the council insures, depending on the case, a balance between the executive and non-executive members so that no individual or close group of individuals can influence the decision-making process.	X		
6	The council meets at least once every three months in order to monitor the way the activity of the regulated entity is carried out.	X		
7.	The Board or executive/ higher management, depending on the case, regularly examines the policies regarding financial reporting, internal control and the risk administration/management system adopted by the regulated entity.	X		
8	In its activity, the Board is supported by a remuneration committee that issues recommendations.	X		
9	The remuneration committee submits to the Board the annual reports on its activity.	X		
10	In its activity, the Board has the support of consultative committees that issue recommendations regarding various issues that are the object of the decision-making process.	X		
11	Consultative committees submit the Board materials/reports regarding issues entrusted by these.	X		
12	In the internal procedures/policies/regulations are provisions regarding the selection of nominations for the individuals in the executive/higher management, the appointment of new individuals or extending the mandate of those already existent.	X		
13	The regulated entity makes sure that the members of the executive management/ higher management receive professional training so that they can fulfill their attributions efficiently.	X		
14	The key positions are set in such a way so that they are proper for the organizational structure of the regulated entity, and according to the regulations applicable to it.	X		
15	The Board regularly analyze the efficiency of the internal control system of the regulated entity and the updating method, in order to ensure a rigorous management of the risks the regulated entity is exposed to.	X		
16	The audit committee makes recommendations to the Board, regarding the selection, appointment, name and replacement of the financial auditor, as well as the terms and conditions of its remuneration.	X		
17	The Board analysis, at least once a year and makes sure that the remuneration policies are consistent and have an efficient risk management.	X		
18	The remuneration policy of the regulated entity is foreseen in internal regulations that target the implementation and abidance by the corporate governance principles.	X		
19	The Board has adopted a procedure for the purpose of the proper identification and solving of conflict of interest cases.	X		
20	The executive management / higher management, depending on the case, informs the Board about conflict of interest once these occur and does not participate to the decision-making process connected to the conflict state, if these structures or individuals are involved in that particular conflict state.	X		
21	The council analyses, at least once a year, the efficiency of the risk administration /management system of the regulated entity.	X		
22	The regulated entity has drafted procedures regarding the identification, evaluation and management of significant risks to which it can or will be exposed.	X		
23	The regulated entity has clear action plans to ensure the continuity of the activity and for emergency situations.	X		
24	The Subsidiary Board applies internal governance principles and policies similar to those of the parent company, unless there are other legal requirements that lead to the establishment of own policies.	X		

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