



BVB Directors' Consolidated Report for 2015



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Notes

The report herein presents the annual consolidated financial results of the Bucharest Stock Exchange, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and in compliance with the rules and regulations of the Financial Supervisory Authority (FSA) which determined the change in accounting policies and use of IFRS reporting starting with 31 December 2015. The financial results as of 31 December 2015 are audited.

The financial figures presented in the executive management commentary which are expressed in million RON are rounded off to the nearest integer and may result in small reconciliation differences.

The information presented in the report herein are compliant with the FSA Rule no. 39/2015 for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities regulated, authorized and/or supervised by the ASF, from the Financial Instruments and Investments Sector, as well as the FSA Regulation no. 1/2006 on issuers of and operations with securities (the information presented herein is equivalent to those required by Annex 32).

In order to comply with the requirements of FSA Rule no. 39/2015, the Board of BVB, the parent company of BVB Group, has the obligation to prepare the consolidated administrators report that presents the development and performance as well as the financial position of the entities included in the consolidation process. BVB shall not prepare an administrators report for the parent company and shall include all relevant information in the consolidated administrators report, in accordance with art. 30, par. (4) of FSA Rule no. 39/2015.

Disclaimer

This English language report is a convenience translation of the Romanian language "Raport al administratorilor pentru anul 2015". The Romanian version of the report is the official document.

Executive summary

RON 35 mn

Average trading value in 2015

(regulated equities market,
offers included)

The year of 2015 brought a new wave of changes and measures aimed at redesigning the local capital market, with a renewed focus on creating long-term links with the entrepreneurial environment and with the retail investor community.

The launch of AeRO market was a milestone in creating a modern and reliable environment for start-ups and SMEs to look for financing of their businesses. A few companies have already made a first step and became listed companies, including the first companies in the IT industry. AeRO also absorbed hundreds of companies previously listed on RASDAQ market which ceased activity in October.

As regards the retail focus, programs such as Fluent in Finance, increased accessibility via new extensions of the trading platform, enhanced editions of the Investor Forum, the new concept Your Money Expo, support for Investor Clubs and many others, have brought the local market and financial investments closer to the Romanian people.

Such efforts could not counter the increased risk aversion and amplified volatility episodes which mostly affected emerging and frontier markets, nor the lack of privatizations of state-owned companies via the capital market. The main market index BET ended 2015 with a decline of 1.1%, while its total return version BET-TR gained 3.1% after incorporating dividends paid by constituent companies. It is worth mentioning that the Bucharest Stock Exchange (BVB) companies have registered some of the highest dividend yields in the region.

In terms of trading activity, the capital market registered lower equities markets turnover in 2015, where trading value including offers reached RON 9 bn, 32% below 2014. The fixed income markets fared much better, due to several deals including the sale of Bucharest Municipality bonds and the sale of government securities dedicated for retail investors, the first such issue in 10 years.

The Bucharest Stock Exchange ended the year with a standalone net profit of RON 7 mn, down 41% y-o-y given the increasingly challenging international and local context, which brought volumes, capitalization and indices lower. The remaining amount after deducting the legal reserve shall be distributed as dividends, following the General Shareholders' Meeting approval. A pre-tax dividend of RON 0.8687 per share is proposed.

As regards the BVB Group, which also includes BVB's subsidiaries, the consolidated net profit for the period was RON 6.6 mn, down 53% y-o-y, mainly following the decline of the trading activity and the trading fees cut that translated into lower operating revenues from trading.

The consolidated operating profit of BVB Group was RON 3.22 mn, mainly generated by trading services, down 71% compared to 2014, as operating expenses declined at a lower rate than operating revenues.

Net financial revenues, primarily including interest and unrealized favorable foreign exchange differences, added RON 4.74 mn to the profit before tax of the Group.

RON 0.8687 per share

Proposed pre-tax dividend

(submitted to GSM for approval)

Financial highlights

Consolidated financial indicators

(RON mn, unless otherwise stated)

| | 2015 | 2014 | Change (%) |
|----------------------------|-------|-------|------------|
| Operating revenue | 30.83 | 39.64 | -22% |
| Operating expenses | 27.61 | 28.51 | -3% |
| Operating profit | 3.22 | 11.13 | -71% |
| Profit before tax | 7.96 | 16.74 | -52% |
| Profit for the period | 6.60 | 14.08 | -53% |
| Total comprehensive income | 7.51 | 14.12 | -47% |
| EPS (RON) | 0.84 | 1.78 | -53% |

Profitability ratios

(%)

| | 2015 | 2014 | Change (%) |
|------------------|------|------|------------|
| Operating margin | 11% | 28% | - |
| Net margin | 22% | 36% | - |
| Return on equity | 7% | 12% | - |

Operating highlights

(RON mn; all markets)

| | 2015 | 2014 | Change (%) |
|---|--------|--------|------------|
| Trading value – shares, rights, units* | 8,964 | 13,234 | -32% |
| Trading value – certificates | 403 | 228 | 77% |
| Trading value – fixed-income* | 2,848 | 956 | 198% |
| Total | 12,215 | 14,417 | -15% |
| Avg. daily value (shares, incl. offers)** | 35.1 | 51.9 | -32% |
| Avg. daily value (shares, excl. offers)** | 32.5 | 38.9 | -16% |

* Including offers

**Value for the Regulated market

BVB Group information

Identification data

34-36 Carol I Blvd., floors 13-14,
District 2, Bucharest

Address

J40/12328/2005

Trade Register No

17777754

Sole Registration Code

The Bucharest Stock Exchange (BVB) was established on 21 June 1995 as a public non-profit institution, based on the Decision of the National Securities Commission (NSC) no. 20/1995 and in July 2005 it became a joint stock company.

BVB is the leading exchange in Romania and operates several markets:

- The Regulated Market where financial instruments such as shares and rights issued by international and Romanian entities, debt instruments (corporate, municipality and government bonds issued by Romanian entities and international corporate bonds), UCITs (shares and fund units), structured products, tradable UCITS (ETFs) are traded;
- AeRO Market, designed for start-ups and SMEs, launched on February 25, 2015; separate sections of the alternative trading system are available for trading foreign stocks listed on other markets;
- RASDAQ market where shares and rights issued by Romanian entities were traded until October 2015, most of them coming from the mass privatization program. According to the Law no. 151/2014 and subsequent FSA regulations, companies listed on RASDAQ market had 12 months to choose between a transfer to a regulated market, migration to an alternative trading system or delisting from the exchange. The process was finalized on 26 October 2015, when RASDAQ market ceased operating.

BVB's operating revenues are generated mainly from the trading of all the listed financial instruments, from fees charged to issuers for the admittance and maintenance to the trading system, as well as from data vending to various users.

Share tickers

BVB

BVB RO (Bloomberg)

BBG000BBWMN3 (Bloomberg
BBGID)

ROBVB.BX (Reuters)

ROBVBAACNOR0 (ISIN)

Since 8 June 2010, BVB is a listed company on its own spot regulated market and is included in the Premium Tier. The company's share capital consists of 7,674,198 shares with a nominal value of RON 10.

In accordance with the provisions of article 129 paragraph 1 of Law no. 297/2004 on the capital market, no shareholder of a market operator can hold, directly or indirectly, more than 20% of the total voting rights. On 31 December 2015, there were no shareholders holding stakes exceeding this threshold. BVB did not hold shares in its own name, nor did its subsidiaries hold any BVB shares at the end of 2015.

At 31 December 2015, the company's shareholders' structure was as follows: Romanian legal entities 72.389%, foreign legal entities 14.275%, Romanian individuals 12.781%, foreign individuals 0.555%.

BVB is included in indices focused on listed exchanges and other trading venues (FTSE Mondo Visione Exchanges Index and Dow Jones Global Exchanges Index), as well as in local market indices: BET and its total return version BET-TR, BET-XT and BET-XT-TR, BET-BK, BET Plus, ROTX.

Subsidiaries

BVB is the parent company of BVB Group, which includes the following subsidiaries:

- Central Depository (Depozitarul Central), 69.042% owned by BVB, performs clearing / settlement operations for transactions with securities carried out at BVB and keeps the register of shareholders;
- Investors' Compensation Fund (Fondul de Compensare a Investitorilor), 62.4481% owned by BVB, pays compensations when fund members fail to return the money or the financial instruments owed by or belonging to investors, which have been held on their behalf for the provision of financial investment or individual investment portfolio management services;
- Bucharest Clearing House (Casa de Compensare Bucuresti), 52.508% owned by BVB, performs operations such as registration, guarantee, clearing and settlement of derivative financial instrument transactions carried out at BVB;
- Corporate Governance Institute (Institutul de Guvernăță Corporativă), fully owned by BVB, offers training services to listed companies and capital market participants, in corporate governance and sustainable development areas.

The consolidated financial statements of BVB for the financial year ended 31 December 2015 include the financial information of the Company and its subsidiaries, except for the Corporate Governance Institute, an entity considered by BVB management as insignificant for inclusion in the Group's consolidated financial statements.

Main events

1 January – The **new segmentation** of the Regulated Market entered into force, classifying listed shares into Premium or Standard, versus tiers 1, 2 and 3 previously used.

The **screening criteria related to reporting quality and investor relations activities** for determining the eligible companies for BET and BET-TR indices were also enforced.

9 January – The **Emergency Ordinance no. 90/2014**, amending and supplementing the Capital Markets Law 297/2004, entered into force. The ordinance brought several changes to existing legislation which were meant to simplify and clarify the voting procedure in the general shareholders meetings, to consolidate the creation of a centralized dividend payment system, to improve the public offers mechanisms and listing regime, as well as to increase the ownership threshold for market operators (from 5% to 20%) and to change the quorum requirements for the extraordinary general shareholders meetings for market operators.

16 February – BVB announced the first successful direct fiscal registration in Romania completed by a **foreign investor**, an investment fund from Poland - Quercus TFI, which opted for direct registration without appointing a fiscal agent or representative.

23 February – BVB implemented a new trading model, the **auction model**, to be applied for a selection of shares traded on the regulated market according to the liquidity criteria set forth by BVB. The new model consists in distinct sessions for introducing and administration of orders, followed by fixing stages when trades are registered if the execution conditions are fulfilled.

25 February – BVB officially launched **AeRO Market**, dedicated to small and medium sized enterprises looking to finance their growth stories and for investors looking for new investment opportunities. AeRO was developed as a market with less reporting obligations for the listed companies, but at the same time with sufficient transparency for investors.

2 March – An important change with regard to **trade settlement** was implemented and became functional, with trades being settled through two net settlement cycles, instead of one as before.

18 March – The Hungarian investment services provider **Concorde Securities** marked its entrance on the Romanian capital market and became a Participant at the Bucharest Stock Exchange.

23 March – BVB launched the **second total return index BET-XT-TR**, which reflects the price performance of top 25 most traded Romanian companies, as well as the gross dividends and cash distributions made by them.

27 March – BVB became a partner exchange to the **United Nations (UN) Sustainable Stock Exchanges (SSE)** initiative. It is a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators, and companies, can enhance corporate transparency – and ultimately performance – on environmental, social and corporate governance issues and encourage sustainable investment.

31 March – The fund units of the **closed-end fund BET-FI Index Invest**, managed by SAI Broker started trading on the fund units designated market.

30 April – BVB launched its **Arena-XT Web**, the web-based version of the Arena-XT trading platform.

5 May – The RON 2.22 bn **municipal bonds issued by the Bucharest City Hall** started trading on BVB's bond regulated market, after a successful offering in April, worth of RON 2.22 bn. The issuance was split into four tranches of RON 555 mn (EUR 125 mn) each, with maturities of 3, 5, 7 and 10 years.

18 May-12 June – The 3rd edition of the virtual trading competition **BVB Invest Quest (BVB IQ)** took place.

3 June – **Albalact (ALBZ)**, a leading local dairy producer, started trading on the regulated market.

3 June – The 7-year **corporate bonds issued by Imocredit IFN** started trading at BVB. The value of the issuance was RON 15 mn (EUR 3.4 mn) and the bonds carry a varying interest rate of ROBOR 6M + 3% p.a.

8-19 June – The Ministry of Public Finance issued, for the first time in 10 years, **government bonds for population**, with a 2-year maturity. The total amount raised was RON 65 mn, at 2.15% p.a. interest rate. The bonds started trading at BVB on 26 June.

16-17 June – BVB organized its first '**Romania Investor Days**' in Bucharest ('reverse roadshow'). The event was attended by local and international investors and analysts interested in meeting key Romanian listed companies. 227 one-on-one meetings between 22 listed or to-be-listed companies and 48 investors were held.

22 June – The Central Depository (Depozitarul Central) migrated to the pan-European settlement platform **TARGET2-Securities**, a project made live in cooperation with BVB. By connecting to the most modern European

settlement platform, the Central Depository is thus able to offer to its participants comparable services for EUR settlements to those offered by other European markets.

6 July – BVB introduced a new approach in its **market making program**, designed to stimulate trading activity. A broker may become a Classical Market Maker or a Super Market Maker for a particular company. The program also includes a stimulus for the retail clients of brokers which are also Market Makers to perform more intraday trades with stocks for which their broker is a Market Maker.

10 July – BVB and the Central Depository implemented the **settlement on gross basis** with settlement cycles of T+0, T+1 or T+2, thus increasing the flexibility of the regulated market for equities. This new feature complements the net settlement mechanism with settlement in T+2.

14 July – **IAR Brasov (IARV)**, the state-owned company specialized in aircraft repairs and maintenance, started trading on the regulated market.

15 July – BVB launched the '**Fluent in Finance**' program, which aims at supporting personal and professional development of employees of Romania-based companies, as well as at increasing awareness in regard to managing their own finances. BVB, together with four partnering brokerage companies, collaborate with large Romanian companies and corporations to offer free seminars on financial education to the employees of such companies.

12 August – **Mecanică Fină București (MECE)** started trading on the regulated market.

21 September – BVB introduced **new tick size rules** for all shares, rights and fund units traded on BVB.

22 September – BVB launched a new **Corporate Governance Code** applicable to companies listed on the regulated market. The new Code was designed with the support of the European Bank for Reconstruction and Development (EBRD), as part of a new corporate governance framework which entered into force on 4 January 2016, and aims at promoting higher standards of governance and transparency of listed companies.

24-25 September – BVB organized the second edition of the '**Romania Investor Days**' reverse roadshow in Bucharest. The main macro trends, tax issues and strategies for developing the capital market were discussed. The event also included presentations of the most innovative businesses in the IT&C industry and

facilitated 60 1-on-1 meetings between investors and main listed companies.

6-7 October – BVB organized the first edition of '**Your Money Expo**' in Universitate Square. This was the first ever financial expo organized by the BVB in cooperation with the Central Depository, brokerage houses, asset managers, pension funds, life insurances and listed companies. For two days, the participants were able to acquire valuable information about saving and investing, money management, capital markets and a spectrum of financial services available to the individuals.

During the event, BVB officially launched **BVB Trading**, the online trading application dedicated to clients of brokers offering Arena XT platform.

15 October – The bonds issued by **International Investment Bank (IIB18)** debuted on BVB. On 12 October 2015, the company had finalized an offer for the sale of bonds worth of RON 111 mn (EUR 25 mn). The securities have a 3-year maturity and a fixed interest rate of 4.1%.

22 October – The day of 22 October was the last trading day for **RASDAQ and Unlisted markets**, in accordance with Law no. 151/2014. Five companies previously listed on RASDAQ migrated to the regulated market, while more than 270 issuers became listed on AeRO market.

26 October – **Romcab Tg. Mures (MCAB)** and **Prebet Aiud (PREB)** started trading on the regulated market.

14 November – BVB organized the 3rd edition of the **Individual Investors Forum** in Bucharest. The format of the Forum was designed to attract the participation of those who are just beginning their investment experience, as well as the already experienced investors, by creating two parallel and specific sections to each category. More than 200 persons interested in investments and managing their personal finances participated at the presentations, interactive sessions and workshops organized.

19 November – BVB launched '**Fluent in Finance 2.0**', as the extension of the original '**Fluent in Finance**' programme which was addressing employees of large corporations. BVB thus aims to bring financial and capital markets education to private individuals willing to learn more about stock exchange and investing, fully individually. The first seminars were organized in Bucharest, Brasov, Cluj-Napoca and Timisoara, between Dec 2015 and Jan 2016.

Projects and accomplishments

The year of 2015 brought a new wave of changes and measures aimed at redesigning the local capital market, with a renewed focus on creating long-term links with the entrepreneurial environment and with the retail investor community.

The launch of AeRO market was a milestone in creating a modern and reliable environment for start-ups and SMEs to look for financing of their businesses. A few companies have already made a first step and became listed companies, including the first companies in the IT industry. AeRO also absorbed hundreds of companies previously listed on RASDAQ market which ceased activity in October.

As regards the retail focus, programs such as Fluent in Finance, increased accessibility via new extensions of the trading platform, enhanced editions of the Investor Forum, the new concept Your Money Expo, support for Investor Clubs and many others, have brought the local market and financial investments closer to the Romanian people.

The most important projects and measured implemented during 2015 are described as follows. The development of BVB's projects were based on research and development activities, as well as on close cooperation with capital market participants.

Measures for increasing liquidity

Improvement of the market making program. Launched in January 2014, the market making program was extended and improved in several stages, including a revenue-sharing component for market makers. In July 2015, the program entered a new phase, which separated market makers into two categories, according to certain criteria:

- **super market maker** – is a special type of market maker registered for a company, which compared to the other type of market maker has additional obligations, providing a framework for more active trading: trading orders (buy / sell) for a higher volume must be placed, and for a longer period of time, compared to classic market makers. The super market maker shall pay half the fees paid by the classic market maker.
- **classic market maker** – is the standard type of market maker, which must meet a number of specific parameters.

After redefining the market making program, the revenue-sharing component was also revised and became applicable only to super market makers.

One of the components of the program also aims to stimulate the market maker's clients for performing multiple intraday transactions with the shares for which their broker is also the market maker.

At the end of 2015, there were four market makers registered for 11 issuers, most of whom are super market makers. The amount traded during 2015 for shares included in the program was RON 738 mn, representing 6.23% of the total trading value with those stocks.

Launch of a market making program for bonds and fund units. A distinct market making program was launched in 2015 for bonds and fund units traded on the regulated market. At the end of 2015 there was a market maker for the bonds issued by the Bucharest City Hall (Raiffeisen Bank) and market makers for fund units (SSIF Broker).

Introduction of new tick size rules. BVB introduced new tick size rules for all shares, rights and fund units traded on BVB. This change sets the ground for a better concentration of orders by price levels, improved process of price discovery and a more efficient dynamics of the order book.

Change of the trading program. BVB has implemented a new trading program starting 5 October 2015, by introducing a special stage of the market dedicated only to the Deal market. The adjustment of the trading hours follows the change in the structure of the market for shares, as the main market (Regular) gained more relevance versus the negotiable market (Deal) in the first half of 2015 (82% vs. 18%). The changes of the trading program will offer to investors a new 20 minutes window for executing trades on the Deal market for shares, ETFs and fund units, with the possibility of settling these trades on flexible terms (T+1 or T+2), on gross basis.

Improving the issuers transparency

New criteria for companies and BET and BET-TR. Since 1 January 2015, companies eligible for inclusion in BET and BET-TR must meet certain quality criteria reports and investor relations activities. The criteria concern: preparing reports according to international standards (IFRS), submission of current and periodic reports in English to BVB simultaneously with those in Romanian and organizing events for investors and analysts on a quarterly basis. During 2015 all the companies components of and BET and BET-TR complied with the requirements of transparency and reporting requirements.

Transforming the market segmentation. Starting in 2015, Premium and Standard categories replaced tiers 1, 2 and 3 previously used for the regulated market, aimed at increasing the visibility of the most traded local companies. In order to be admitted to the Premium tier, an issuer should have a free float of at least EUR 40 mn, while the maintenance or upgrade from Standard are conditioned by the level of trading activity and the existence of at least one issuers' market maker for the company's shares. The classification into tiers for rights and corporate bonds was removed.

A new Code of Corporate Governance. The New Code of Corporate Governance, designed with the support of the European Bank for Reconstruction and Development (EBRD), and launched on 22 September 2015, entered into force on 4 January 2016. The new Corporate Governance Code is had 4 sections: Responsibilities, Risk management and internal control system, Fair rewards and motivation, and Building value through investors' relations. The Code is applicable to all issuers listed on BVB's regulated market and is based on the "Apply or Explain" concept. Companies must submit to BVB a current report when failing to comply with certain provisions of the Corporate Governance Code and must include in their annual reports a corporate governance statement for compliance or non-compliance with the Code. BVB will conduct analysis on the status of compliance of issuers and the results may be made public.

Architecture and markets settlement

Flexibility of settlements on gross basis. BVB and the Central Depository have increased flexibility of the regulated market for equities by offering investors the possibility to settle deal trades also on gross basis, with a T+0, T+1 or T+2 settlement cycles. It complements the net settlement mechanism with the T+2 cycle. The purpose is to increase the flexibility and efficiency of trading and post-trading mechanisms as well as the rate of capital reinvestment. A reduced settlement cycle also contributes to lower post-trade risks, as a result of reducing counterparty risk. The gross settlement is available for Deal trades with shares listed on BVB's regulated market.

Introduction of two net settlement cycles. An important modification regarding the settlement of trades was implemented and became functional in 2015, with trades being settled through two net settlement cycles, instead of one, as previously. The new net settlement model is expected to increase the efficiency of the settlement process, reduce risks and support intraday trading, including the turnaround trades, for the end-clients that operate through the custodians.

Implementing the auction model. BVB implemented the auction model in February 2015 for a list of shares traded on the regulated market, selected based on criteria set forth by BVB. The new model consists in distinct sessions for introducing and managing orders, without any trades being registered, each followed a fixing stage when trades are registered if the execution conditions are fulfilled. The auction model may enhance the trading in the shares with lower liquidity and it facilitates the determination of the trading prices, offering a structure that provides a balanced method for price discovery. The selection of the shares for the auction model will be based on the quantitative criteria, such as: average value traded, average number of trades, frequency of trading.

Measures for retail investors

Arena-XT Web and BVB Trading App. In the first half of the year, BVB launched Arena-XT Web, the web version of its trading platform Arena-XT. Arena-XT Web is available for brokers and their clients, without involving additional integration efforts for brokerage firms already using Arena-XT Trading architecture. Subsequently, the accessibility trading platform increased after the launch of the online trading appn BVB Trading. Investors can actively manage their portfolios and remain connected to the market, as the app offers access to full depth of the market for all instruments traded at BVB, a complete set of tools to support trading activities and real-time information about market and trading (portfolio, operational reports), historical data and charts. The app is available for free in Google Play and App Store.

BVB Invest Quest. In 2015, the third edition of the virtual trading competition BVB Invest Quest (BVB IQ) took place. Since 11 May, BVB and its partners (BT Securities, IFB Finwest, Intercapital Invest and Tradeville) organized seminars and webinars in major cities. The new features of this edition were the use of Arena-XT Web for trading and the addition of bonuses to the virtual portfolio for recommending the competition to other participants.

Fluent in Finance. BVB launched the "Fluent in Finance" project, which in its pilot version, aimed to support personal and professional development of employees in the Romanian companies, as well as to raise awareness regarding the management of their own finances. BVB together with four brokerage firms as partners – Alpha Finance, BT Securities, Estinvest and Intercapital Invest - collaborate with major companies and corporations in Romania to support free financial education seminars for employees of the latter. The first participating companies were Enel, Idea Bank, Idea Leasing, Garanti Bank, KPMG Romania and Orange Romania. Currently, 20 companies are involved in the project.

Later on, during the last quarter of the year, 'Fluent in Finance 2.0' was launched, through which BVB aimed to bring financial and capital markets education closer to those willing to learn more about stock exchange and investing, fully individually. More than 500 participants attended the first four seminars which took place in Bucharest, Brasov, Cluj-Napoca and Timisoara between December 2015 and January 2016.

Your Money Expo. During the first part of October, Bucharest Stock Exchange organized the first edition of "Your Money Expo" at Universitate Square in Bucharest. The expo was organized by BVB in cooperation with 32 partners: Depozitarul Central, brokerage houses, asset managers, pension funds, life insurances and listed companies. For two days, participants were able to acquire valuable information about saving and investing, money management, capital markets and a spectrum of financial services available to the individuals. More than 2,500 educational guides were distributed to visitors and the Central Depository issued 851 statements of account free of charge to applicants and offered information about the payment of dividends and other services of the institution. Your Money Expo benefitted from the largest media coverage dedicated to a single event in 2015.

Investors Clubs. Starting with 2015, BVB actively supported the creation of investors clubs in major cities, as entities that offer to individuals the necessary logistics to meet and share their views and ideas and to set common goals in financial planning. For individual investors, this is an opportunity to learn about finances and about how they can achieve financial goals. Investors Clubs will have a very important mission in the education, training, protection of individual investors, as well as cooperation with other stakeholders of the capital market in order to develop the local market. With the support of BVB, Investors Clubs were set up in Bucharest, Cluj-Napoca, Deva, Targu Mures, Iasi and Timisoara.

Call Center Bursa e pentru Oameni. BVB launched the call center „Bursa e pentru Oameni”, for anyone interested in issues related to trading in financial instruments and capital market in Romania.

Open Doors Day at BVB. The "Open Days at BVB" project continued in 2015 through a series of educational events through which BVB and Junior Achievement focused on familiarizing young people, high school students and students with the mechanisms of the stock exchange. As in previous years, part of the visits were organized in April during the "A Different Shcool" program.

„Capital Market” educational program. BVB has developed, in partnership with Junior Achievement Romania, the optional study book on capital markets, which was used in the school year 2014/2015 by approximately 3,600 students.

Launch of AeRO market

On February 25, BVB officially launched AeRO market dedicated to small and medium companies looking for financing their success stories but also to investors eager to find new investment opportunities. AeRO has been developed as a market with fewer reporting requirements for listed companies, but also with sufficient transparency for investors.

Last year, BVB had more than 250 one-on-one meetings with those who own and run private Romanian companies in order to familiarize them with capital market financing mechanisms and to present existing opportunities. Two companies were listed on the day when AeRO was launched (Delivery Solutions and Carpathia Capital), followed by another three until the end of the year (Bittnet Systems, Chronos Curier and Life Is Hard). In addition, two companies issued bonds that were listed on AeRO market (C&V Water Control and Advanced Retail System).

In order to attract issuers on AeRO, BVB has partnered with the Chamber of Commerce and Industry of Romania, ANIS, Gea, aiming at supporting the community of entrepreneurs in Romania, at promoting as widely as possible the use of solutions offered by the capital market to finance the growth and development of companies and the business community.

The concept of Authorized Advisor was defined especially for AeRO market, i.e. entities that assist the future issuer in preparing for listing and certifying the accuracy of information and documents provided. Consultants will continue to assist the issuer after listing on the reporting requirements for a period of 12 months after listing. At the end of 2015 there were 45 Authorized Advisors.

AeRO market was also one of the destinations for companies traded on RASDAQ market, which, under the law 151/2014, had to choose between transferring a regulated market, an MTF or be delisted. RASDAQ market ceased to exist in October 2015, the deadline set by law, by which more than 270 companies chose to transfer to AeRO.

Starting from the Corporate Governance Code for the regulated market, principles of corporate governance for AeRO-listed companies were defined and entered into force on the date of launch of AeRO. These principles are aimed at increasing the attractiveness of the market and improving transparency and trust. Thus, companies shall include in their annual reports statements of Corporate Governance including the self-valuation on their compliance with principles related to responsibilities of the Board of Governors, remuneration of the Board and General Director, the internal control system and investor relations.

Improving market visibility

Romanian capital market promotion campaigns. BVB organized and participated at events dedicated to institutional investors in 2015, both in Romania and abroad, to promote the local capital market and the progress made in recent years. Events such as "Investors Days in Romania" were organized, dedicated to institutional investors, in partnership with the brokerage companies, focusing on important financial centers in Europe and beyond: London, Vienna, Stegersbach, Prague cities in Western Europe and Northern New York and other US cities. In addition, two "reverse roadshow" events were held in Bucharest, which brought together foreign and local investors and leading issuers of the local capital market.

Integrated communication campaigns for BVB projects. In order to support projects targeting retail investors, promoting the advantages of capital market investments, BVB has conducted promotional campaigns dedicated to BVB Invest Quest, Your Money Expo, Forum for Individual Investors and Fluent in Finance.

The local business community was another category BVB campaigns addressed to, especially around the launch of AeRO market, with financing opportunities through the alternative trading system being presented.

In cooperation with the Central Depository and brokerage companies, BVB carried out an important campaign to inform the population about the shares acquired during the mass privatization of the '90s.

Launch of BET-XT-TR index. The second total return index launched by BVB is BET-XT Total Return (BET-XT-TR). It tracks the price change of component companies (the same as in BET-XT index) and the dividends paid by them. BET-XT-TR is a useful tool to show the potential of the local market, given the high dividend yields offered by Romanian companies.

Sustainable Stock Exchanges Initiative UN Partnership (SEE). BVB became the 19th stock exchange who joined the project and fourth in Europe, along with Deutsche Börse, London Stock Exchange and Warsaw Stock Exchange. This is a learning platform peer-to-peer to explore how the scholarships in cooperation with investors, regulators and companies can strengthen the transparency of corporate – and ultimately performance – in terms of environmental, social and governance issues, but also how they can encourage sustainable investment. In September 2015, BVB – the only stock exchange from Central and Eastern Europe – has made a commitment to implement its own guide on reporting on environmental, social and governance (ESG), by the end of 2016.

Sustaining the legislative changes beneficial for the capital market

Direct fiscal registration by a foreign investor without appointing a fiscal agent. In February 2015, the first successful direct fiscal registration in Romania was completed by a foreign investor, an investment fund from Poland - Quercus TFI, which opted for direct registration without appointing a fiscal agent or representative. Thus, nonresident investors can use a tested process for the initial fiscal registration or can opt for the fulfillment of tax obligations directly in Romania, if they are already fiscally registered. Investors' fiscal compliance is part of the Eight Barriers project, and the introduction of the direct fiscal registration, the simplification of the process, as well as the reduction of the time required for registration were among BVB's priorities, with impact in attracting investors on the local market.

Bucharest Stock Exchange

Changes to the capital market law. On 9 January 2015, the Emergency Ordinance no. 90/2014, amending and supplementing the Capital Markets Law 297/2004, entered into force. The ordinance brought several changes to existing legislation which were meant to simplify and clarify the voting procedure in the general shareholders meetings, to consolidate the creation of a centralized dividend payment system, to improve the public offers mechanisms and listing regime, as well as to increase the ownership threshold for market operators (from 5% to 20%) and to change the quorum requirements for the extraordinary general shareholders meetings for market operators, in line with the requirements of Law no. 31/1990, i.e. 1/4 of the voting rights at the first call and 1/5 for the second call.

Centralized dividend payment through the Central Depository. Following the amendment of the applicable regulatory framework, starting with the 2014 dividends paid during 2015, investors are able to receive dividends automatically in their accounts opened with intermediaries and custodians through a centralized payment system. For shareholders who do not have an account with an intermediary, the distribution of dividends is carried out by the Central Depository through the payment agent appointed by the issuer to which the investor is a shareholder.

Supporting amendments to the Tax Code. BVB was one of the supporters of changes to the fiscal framework which are beneficial for the capital market, by issuing a series of proposals related to the elimination of the tax on dividends and the recognition of the mechanism of lending of financial instruments and short selling transactions. The final version of the new Tax Code includes the proposal on lending and short selling, while the tax on dividends was reduced from 16% to 5% (effective since 2016).

The Central Depository

One of the most important projects implemented was the centralized payment of dividends, as described above. Other projects in cooperation with BVB were the implementation of the second session of settlement on net basis per day and an additional session of settlement on gross basis. Currently, there are four daily sessions of settlement on gross basis implemented in RoClear, whose schedule is correlated with the schedule of net settlement sessions.

The introduction of the new session of net settlement provided more flexibility to the settlement process, enabling the repeated use during the same day of the funds or financial instruments derived from the settlement of transactions and the possibility of settling later in the day those transactions that involve long chains of custody, located in different time zones.

In June 2015, the Central Depository joined the first wave platform pan-European settlement TARGET2-Securities, a project which facilitates post-trade transactions by offering harmonized, neutral and easy settlement terms, in European currency, for most European financial instruments. Thus, on 22 June 2015, the settlement of transactions in euro was performed in central banks' currencies, thus reducing related risks. This marked the first phase of the TARGET2-Securities project at the Central Depository's level. The second phase will be completed by February 2017 at the latest, through automated interfaces. The last phase will be achieved once the single European currency is adopted in Romania. The benefits of TARGET2-Securities include significant cost reduction for settlements of cross-border trades, management of collateral and pan-European management of liquidity.

As mentioned in the previous sections, the Central Depository introduced, in collaboration with BVB, the option of settling Deal trades on gross basis gross, with variable settlement terms of T + 0, T + 1 or T + 2.

The Central Depository has continued to provide cross-border settlement services in 20 countries, providing Free of Payment (FoP) and Delivery versus Payment (DvP) settlement services for all existing connections.

In order to harmonize its own activity with the new trends in European regulation, the Central Depository continued the collaboration with the European Central Securities Depositories Association (ECSDA). Through the Working Group on Harmonization of EDC (Harmonisation Working Group WG5), the Working Group for Public Policy of EDC (Public Policy Working Group WG2) and the Executive Committee of EDC, the Central Depository has continued to be actively involved throughout 2015 in talks with representatives of the European Commission and of the European Securities and Markets Authority (ESMA) on legislation applicable to European CSDs, especially on draft technical standards issued by ESMA and EBA for applying the provisions of EU Regulation no. 909/2014 on improving securities settlement in the European Union and on central securities depositories.

The development of the international cooperation was supported by the Central Depository's actions as a national numbering agency, as a full member of ANNA (Association of National Numbering Agencies).

In the context of European and international harmonization projects, the work of the committee of experts Romania - Market Implementation Group (EN-MIG) has continued. Representatives of regulatory and supervisory authorities, of the financial community and the Central Depository identified the main barriers to implementing standards for corporate actions processing and for those related to the General Shareholders' Meetings and has proposed concrete measures that should be taken to streamline the deployment of these processes.

Bucharest Clearing House

The European Commission has developed and adopted, after going through all the stages and deadlines established by the applicable rules, the Regulation on OTC derivatives, central counterparties ("CCPs") and trade repositories (EMIR Regulation). EMIR Regulation [Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories] was approved by the European Parliament and the Council of Europe.

Under the new European standards issued under Regulation EMIR, BCH, as a clearing house and central counterparty for derivatives traded on BVB has applied for renewal of the term imposed to BCH, i.e. 15 September 2013.

Considering that by the successive deadlines (i.e.: February 13, 2014, May 13, 2014 January 31, 2015) established by FSA, despite BVB's and BCH's efforts to revive the derivatives market and identify a viable solution to enable BCH's compliance to the EMIR set of rules, FSA issued on 26 February 2015 the decision to reject the application for the authorization of BCH as a central counterparty, followed by FSA's withdrawal of the operating license of BCH in maximum 90 days after FSA's rejection of the authorization application as a central counterparty.

In these circumstances, the Board of Directors of BCH decided to convene the General Meeting of Shareholders on 26 March 2015, in order for the shareholders to decide the manner in which CCB will continue to operate if the operating license is withdraw by FSA in the immediate future. For this purpose, the proposal was made to the shareholders to approve any of the following alternatives, which could be implemented when FSA issues the decision to withdraw CCB's operating license:

- a) The approval of the start of the actions for the compliance with the standards provided for by (EU) Regulation no. 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR Regulation) and taking all the measures necessary for the authorization of the Company as central counterparty, without any time restrictions concerning the reauthorization process. Between the date of the authorization withdrawal by FSA and the date of the reauthorization as central counterparty, based on the fulfilment of all the related requirements, the Company will not carry out business, all the other activities being strictly related to the fulfilment of the authorization requirements and the fulfilment of all the necessary steps.
- b) Approval of the change of the main activity of the company. For this purpose, the Board of Directors would have been authorized to identify possible fields of activity in which the company would be able to operate and to make concrete proposals to be approved by the general shareholders' meeting.
- c) Approval of the suspension of the Company's activity for 3 years. For this purpose, the Company's Board of Directors would have been authorized to take all the necessary measures and to fulfill all the necessary formalities, from a legal perspective, to suspend the company's activity and to fulfill the legal requirements.

During the Extraordinary General Meeting of Shareholders held on the second call, 27 March 2015, shareholders voted against all three proposed solutions, thus subscribing to the CCB action towards FSA of 19 March 2015.

At the same time, on 19 March 2015, following the official letter of FSA no. 336/26.02.2015 concerning the rejection of the request for reauthorization according to the EMIR rules, CCB sent a letter, namely a request for the change of the existing authorization with a new activity, namely the provision of services as clearing house for financial instruments, other than derivatives, thus maintaining the option to develop a central counterparty on the CCB structure open.

BVB's and BCH's efforts have resulted in the issuance by FSA of the Regulation no. 7/27 May 2015, by which the period for the withdrawal of CCB's operating license was extended from no more than 90 days to no more than 9 months from the rejection by FSA of the authorization request. Thereafter, given the correspondence of ESMA and FSA on BCH's proposal to amend the scope of activity so that BCH can carry out clearing house services for instruments other than derivatives, as well as the talks at the BVB Group level, we hereby state that at the date of this report, BCH is subject to the provisions of FSA Regulation No. 12/2015 on amending the introductory part of para. (4) art. 58 of FSA Regulation

no. 3/2013 for the authorization and operation of central counterparties whereby it was decided to extend the deadline mentioned in that paragraph to 15 months from the date of rejection of applications for authorization (time period calculated starting with 26 February 2015).

However, BCH participates in the working group initiated by FSA to find a solution for creating a central counterparty in Romania. Within this group, supports the creation of this entity on the BCH structure.

BVB's General Shareholders Meeting, called for 26/27 April 2016, will decide regarding the direction to be followed for the implementation of a central counterparty solution.

Investors Compensation Fund

In 2015, the Investor Compensation Fund was running two compensation cases, respectively Harinvest S.A. and Eurosavam S.A. Under applicable regulations, the Fund must compensate investors when a competent judicial authority, for reasons directly or indirectly related to the financial situation of a Fund member, issued a final decision with the effect of suspending the possibility for investors to exercise their rights on their claims against that company.

Eurosavam. Following the bankruptcy (in 2013) and the commencement of liquidation proceedings, four requests for compensation were made. Following the analysis of the eligibility of investors, in its meeting on 27 February 2015, the Board approved the payment list for investors to be compensated within the compensation procedure open for Eurosavam SA. On the Payment List a single investor was included, with a compensation of RON 76,734, as the others were unable to prove their quality as clients of Eurosavam S.A. that meet the legal requirements for their compensation by the Fund. Currently, the Fund is in litigation with two of these persons.

Harinvest. Upon initiation of the compensation procedures in 2014, the investors deemed harmed were able to apply for compensation to the insolvency administrator. After the claims for compensation were analyzed, the payment list was conducted, including 102 individuals and 2 legal entities. In November 2015, the Fund paid compensations of RON 3,099,813 to 88 investors, while for other 16 investors it was decided to postpone payment because their claims were provisional. Their claims have been clarified in February 2016 by judgment of Valcea Court and the Fund paid compensations to them worth of RON 1,261,200. The total amount of compensations paid by the Fund to Harinvest investors is RON 4,361,013.

Analysis of financial results for 2015

Macroeconomic background and financial markets overview in 2015. 2015 was dominated by a few major themes that influenced financial markets. The divergence of monetary policies and their effects on economic growth have been in the forefront throughout the year. The United States kept markets on hold until the last part of the year, when the policy rate was increased for the first time since 2006. Furthermore, the European Central Bank (ECB), China, Japan etc. have implemented expansionary policy measures to counter inflation rates below target or economic deceleration. Moreover, the situation in China was one of the factors that affected the financial markets and led to episodes of volatility and declines in the markets, along with oil prices that remained near historic lows, the situation in Greece and its negotiations with the IMF, geopolitical tensions in Ukraine and other parts of the world.

Under these circumstances, the increased risk aversion was felt mainly in emerging and frontier markets, so that MSCI Emerging Markets and MSCI Frontier Markets indices lost 17% each during the year. European indices performed better due to the implementation of the generous monetary stimulus package that supported the improvement of macroeconomic indicators, while in the US the S&P500 index ended the year with a minimum decline.

Locally, the Romanian economy registered one of the best performances in Europe, with the latest reports indicating an advance of 3.7% for 2015 over the previous year (gross series), supported by domestic demand. Other macroeconomic indicators were also favorable (retail sales, construction sector, foreign direct investment, etc.), thus improving macroeconomic and financial stability. Inflation hovered around historic lows, determining the National Bank of Romania to cut the interest rate to 1.75% starting in May. In this context, interest rates for bank deposits have reached new record lows – the latest official statistics indicating a rate of 1.10% for new deposits in November 2015.

The local capital market, however, was less influenced by macro-level performance and more by global markets dynamics. BET decreased by 1.1%, while its total return version rose by 3.1% due to dividends paid by component companies.

Analysis of the standalone financial results for 2015 and of the standalone financial position of BVB. BVB's revenues from services reached RON 17.21 mn in 2015, by 36% lower in y-o-y terms. The main driver was the 43% decline in trading revenues to RON 13.14 mn, which mirrored the weaker trading activity and the effects of the trading fees cut operated in October 2014.

The stock market, i.e. the regulated market and AeRO, generated almost RON 9 bn in trading value, including offers, by 32% below 2014 when the IPO for Electrica marked a milestone difficult to reach. Excluding offers, the decline was 16%, triggered by the increased investor risk aversion towards frontier and emerging markets.

Apart from the unfavorable trading values changes, trading revenues also reflected the lower fees charged by BVB starting with the fourth quarter of 2014. In the case of regular trades executed on the shares markets, such decline was approximately 15%. The markets also changed in structure, as less negotiated trades on the deal markets were registered, averaging 17% of the 2015 Regulated Market total trading value, compared to 45% before the fees cut was implemented.

The breakdown of BVB's operating revenues by business lines for the past three years is presented below:

| Operating revenues | 2015 | 2014 | 2013 |
|--|-------------------|-------------------|-------------------|
| Trading revenues | 13,142,360 | 23,130,535 | 21,230,030 |
| Revenues from issuers fees for admission & maintenance | 1,878,460 | 1,469,069 | 1,317,497 |
| Revenues from data vending | 1,282,550 | 1,209,260 | 1,263,099 |
| Revenues from IT services | 638,463 | 776,093 | 388,436 |
| Revenues from participants fees | 263,441 | 286,423 | 88,008 |
| Other operating revenues | 523,345 | 348,832 | 125,303 |
| Total operating revenues | 17,728,619 | 27,220,212 | 24,412,373 |

Revenues from services include revenues from trading fees, from fees charged to issues for admission & maintenance to trading, from market data vending, from IT services and from fees charged to participants.

| As % of | 2015 | | 2014 | | 2013 | |
|--|------------------------------|-----------------------|------------------------------|-----------------------|------------------------------|-----------------------|
| | Revenues from services | Operating revenues | Revenues from services | Operating revenues | Revenues from services | Operating revenues |
| Trading revenues | 76% | 74% | 86% | 85% | 87% | 87% |
| Revenues from issuers fees for admission & maintenance | 11% | 11% | 5% | 5% | 5% | 5% |
| Revenues from data vending | 7% | 7% | 5% | 4% | 5% | 5% |
| Revenues from IT services | 4% | 4% | 3% | 3% | 2% | 2% |
| Revenues from participants fees | 2% | 1% | 1% | 1% | 0% | 0% |
| Other operating revenues | - | 3% | - | 1% | - | 1% |
| Total operating revenues | - | 100% | - | 100% | - | 100% |

Total **operating revenues** were RON 17.73 mn in 2015, lower by 35% y-o-y.

Operating expenses declined by 10% compared to 2014, to RON 14.49 mn, mostly due to lower personnel costs, a decline in events & travel related costs, provisions and expenses with non-deductible VAT and FSA costs. On the other hand, depreciation charges advanced to RON 1.15 mn, 50% above the figure registered in 2014, due to investments in intangible and tangible assets commissioned during 2014 and 2015.

The **operating profit** reached RON 3.24 mn, well below the previous year. The decline was partly offset by **net financial revenues** which increased significantly due to the registration of dividend income from the company's affiliate entities (the Central Depository) and unrealized foreign exchange gains.

The **net profit** for the year was RON 7 mn or RON 0.91 per share, 41% below the figure reported in 2014.

As regards the financial position of the Bucharest Stock Exchange, at the end of December 2015, BVB's **total assets** were RON 98.39 mn, down by 5% compared to the end of last year, mainly due to the payment of dividends to BVB's shareholders starting with June 2015. In more detail, **non-current assets** increased by RON 9 mn since the beginning of the year to RON 77.60 mn as BVB continued investments in financial instruments classified as held-to-maturity.

As for tangible assets, these include land registered at RON 3.34 mn, as well as equipment and furniture which are depreciated and replaced as they are taken out of use. During 2015, BVB registered an increase of the value of tangible assets in the amount of RON 0.40 mn, representing equipment according to the investment plan approved by the General Shareholders' Meeting. Outflows of tangible assets were RON 0.18 mn, fully amortized.

Current assets reached RON 20.79 mn, lower by RON 14.72 mn compared to the end of 2014. The decline is mainly attributable to the payment of dividends from past years' net profits and further acquisitions of long-term government securities. Almost 90% of the current assets are cash, cash equivalents and bank deposits, i.e. RON 18.25 mn.

All BVB's **payables** are short-term and at the end of December 2015 they amounted to RON 3.43 mn. The amount included dividends payable to BVB's shareholders', trade payables to various suppliers, estimated amounts for leave days not taken by the company's employees, other liabilities to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholders' equity reached RON 94.96 mn, down by 3% since the beginning of the year, following the registration of the net profit accumulated during the year.

Analysis of the consolidated financial results for 2015 and of the consolidated financial position of BVB Group. The **operating revenues** of BVB Group reached RON 30.83 mn in 2015, by 22% lower in y-o-y terms, mainly following the decline in trading activity at BVB which, combined with the cut in trading fees, has affected revenues from trading services, as shown above. For the other business segments of BVB Group, changes were less significant, both in value terms as well as in percentage terms, given that their revenues are much less dependent on changes in trading activity. The table below presents an analysis of the operating revenues by segment:

| Operating revenues | 2015 | 2014 | Change (%) |
|---|-------------------|-------------------|-------------------|
| Trading services | 17,408,619 | 26,538,426 | -34% |
| Post-trading services | 8,329,697 | 8,720,358 | -4% |
| Registry services | 4,579,355 | 4,385,496 | -4% |
| Services offered by the Investors Compensation Fund | 516,141 | 242 | >1000% |
| Total operating revenues | 30,833,812 | 39,644,522 | -22% |

As regards the operating indicators for the other companies in BVB Group that enter the consolidation process, the table below presents the main indicators registered by the Central Depository:

| Indicator | 2015 | 2014 | Change (%) |
|---|-------------|-------------|-------------------|
| Registry activity | | | |
| No. financial instruments operated (bn) | 161.07 | 167.76 | -4% |
| No. procedures for owners of financial instruments* | 123,195 | 118,675 | 4% |
| No. procedures resulted from issuers' corporate events, of which: | 131 | 99 | 32% |
| - dividend payments | 77 | 23 | 235% |
| Settlement activity | | | |
| Value of trades settled on net basis (RON bn)** | 26.50 | 18.61 | 42% |
| Value of trades settled on gross basis (RON bn)*** | 2.24 | 2.25 | 43% |
| No. of cross-border settled trades (DvP, FoP) | 771 | 862 | -11% |

* Direct transfers of financial instruments, issuance of statements of account, account activity reports, account summaries, changes of personal identification data for owners of financial instruments, registration of account restrictions, registration of pledges, release of pledges, withdrawal of account restrictions

** Trades executed at BVB as well as allocation transactions. Value presented on a single-counted basis

*** Trades executed outside trading systems and deal-type trades executed at BVB and settled on gross basis. Value presented on a single-counted basis

In 2015, the Bucharest Clearing House has not performed any compensation activities related to trades with derivative financial instruments executed at BVB, taking into consideration that BVB has suspended the activity of the derivative regulated market.

The **operating expenses** of the Group declined by 3% during the analyzed period down to RON 27.61 mn, following the decline in personnel expenses and of other operating expenses: expenses with non-deductible VAT, FSA costs, events & travel related costs, and others. Depreciation costs increased by approximately 43% following BVB's and Central Depository's investments made during the past year, a similar trend being also registered by expenses with third party services.

Given the decline of the operating expenses at a lower rate than revenues, the **operating profit** registered a 71% decline compared to 2014, to RON 3.22 mn. A breakdown of the operating profit by main business segments of BVB Group is presented below:

| Operating profit | 2015 | 2014 | Change (%) |
|---|------------------|-------------------|-------------------|
| Trading services | 2,969,279 | 10,847,293 | -73% |
| Post-trading services | 480,467 | 1,664,196 | -71% |
| Registry services | (27,598) | (522,227) | -95% |
| Services offered by the Investors Compensation Fund | (202,994) | (858,414) | -76% |
| Total operating profit | 3,219,154 | 11,130,848 | -71% |

Net financial revenues declined in 2015 by 16% to RON 4.74 mn, mainly following the reduction in interest earned on assets covering the guarantee and clearing funds and the margin of the Investors Compensation Fund, determined by a change in accounting policy in 2015 and the inclusion of part of these revenues in operating revenues.

The **net profit for the period** thus reached RON 6.60 mn, approximately half the level registered in the previous year, of which the profit attributable to owners of the Company was RON 6.47 mn or RON 0.84 per share.

As regards the financial position of BVB Group, as of end-2015, **total assets** were RON 179.60 mn, up by 16% compared to the beginning of the year, as both non-current assets and current assets increased by similar percentages. **Non-current assets** increased by RON 12.46 mn since the beginning of the year to RON 81.26 mn mainly due to BVB's continued investments in long-term financial instruments classified as held-to-maturity.

Current assets reached RON 98.34 mn, by RON 12.89 mn higher compared to the beginning of 2015, following the registration of an amount of RON 42.37 mn representing dividends to be distributed by the Central Depository to shareholders of listed companies, i.e. the Depository's clients. This amount is included in cash and cash equivalents which at the end of the year were RON 45.52 mn, but is excluded from this category in the statement of cash flows. Changes in other categories of current assets were determined either by acquisitions of long-term assets, classified as held-to-maturity financial assets, or by reclassifications of amounts from one category to another.

All **payables** are short-term in nature and at the end of December 2015 they amounted to RON 70.29 mn. Approximately 60% of this amount is represented by dividends to be paid by the Central Depository on behalf of its clients, while 28% is represented by the guarantee fund and margin. The rest of debt include compensations to be paid to investors by the Investors Compensation Fund, dividends payable to BVB's shareholders', trade payables to various suppliers, other liabilities to the state budget and the social security budget, not due at the end of the analyzed period.

Shareholders' equity reached RON 109.31 mn, down by 4% since the beginning of the year, following the decline in retained earnings.

Perspectives

During 2015, the Bucharest Stock Exchange (BVB) remained committed to reshaping the local capital market into a modern trading venue, with a new wave of changes and measures aimed at creating long-term links with the entrepreneurial environment and the retail investor community.

This vision and course of action will remain valid in 2016, as without becoming a functional tool that reallocates savings into companies seeking financing the Romanian capital market will not be able to be recognized as an Emerging Market by international standards.

The main obstacle however comes from the unsettled fears of decreasing growth in major emerging economies, which generated volatility and adversity towards risk in 2015 and will probably continue in 2016. Other risk factors such as low oil price environment, economic and political issues in Greece, unrest in Ukraine and other parts of the world, affected most capital markets, but mostly hit emerging and frontier markets. These factors remain concerns for next year as they are still unresolved or ongoing situations.

The global economy is expected to edge up in 2016 to 2.9% according to World Bank projections, driven by high-income countries, after falling short of expectations at 2.4% in 2015. Despite relatively favorable basis for growth, there are still concerns that volatility episodes and erratic capital outflows from developing markets may happen in 2016 as well.

Moving locally, Romania remained in 2015 one of the countries with the highest GDP growth rate and is expected to accelerate by 3.9% this year. Inflation is staying at historical lows for now and has favored gradual cuts in loans and deposits rates. In such a context, it is essential for BVB to continue its efforts to popularize the capital market as an effective tool for diversifying savings away from the traditional bank deposits, by taking a longer-term view of their objectives and potential returns.

There are factors that favor this approach, such as attractive dividend yields, the lower tax on dividends at 5% starting 2016 and the fact that following the recent market downfall local equities have become cheaper and more attractive. On the downside, 2016 is an election year, and there are chances that the widely-expected privatizations via the capital market may suffer even more delays.

The Bucharest Stock Exchange will continue on the same lines as in 2015, focusing on attracting new issuers and investors, improving market mechanisms and bringing information about the capital market closer to final users. BVB will also support regulatory changes needed to smooth market processes such as lending and borrowing or offerings of financial instruments.

BVB shall also run significant infrastructure projects that may change the local capital market architecture. One of the main market infrastructure projects refers to selecting and implementing a central counterparty (CCP) solution for the local market. A separate project refers to a potential merger by absorption of SIBEX by BVB, for which an in-depth analysis is currently performed on the sustainability of such an endeavor. Moreover, BVB shall also examine the potential participation in SEE Link, the project implemented by several stock exchanges in partnership with the European Bank for Reconstruction and Development (EBRD) with the aim of increasing connectivity in South-Eastern Europe and improving trading volumes.

Some of the projects envisaged for 2016 shall require resources for new developments and upgrades of existing technical capabilities, while market infrastructure projects may need significant allocations of capital, as described in the table below:

| Investments envisaged for 2016 | Value (thousand RON) |
|---|-----------------------------|
| Business and IT projects | 1,208- |
| Other fixed assets for BVB's headquarters | 880- |
| Financial investments | 11,544- |

Other information

Subsequent events

The Ordinary General Shareholders' Meeting of BVB summoned for 26/27 April 2016 has on the agenda proposals regarding the approval of the annual financial statements for 2015, the distribution of dividends to BVB shareholders, worth of RON 6,666,555 (gross amount), the budget and business plan for 2016, the business strategy for 2016-2020, as well as the remunerations of the Board members.

The Extraordinary General Shareholders' Meeting of BVB summoned for 26/27 April 2016 has on the agenda proposals regarding the amendment of the company's Articles of Incorporation, the in-principle approval of implementing an external central counterparty solution for the markets operated by BVB, including an investment of maximum EUR 2 mn that would allow BVB to become a shareholder of the external central counterparty, and the in-principle approval of the start of negotiations with Sibex-Sibiu Stock Exchange for a potential merger.

Statistics for BVB shares

BVB shares ended 2015 at a price of RON 27 per share, while the weighted average price registered during the year was RON 36.07.

| | 2015 | 2014 | Change (%) |
|--------------------------------|-------|-------|------------|
| Closing price (e-o-p, RON) | 27.00 | 33.97 | -21% |
| Weighted average price (RON) | 36.07 | 30.12 | 20% |
| High – intraday (RON) | 40.50 | 34.44 | 18% |
| Low – intraday (RON) | 26.30 | 24.70 | 6% |
| Total trading value (RON mn) | 55.93 | 64.30 | -13% |
| Average trading value (RON mn) | 0.22 | 0.26 | -14% |

Dividend policy

The Bucharest Stock Exchange distributed 100% of the net profit, after the legal reserves are deducted. Detailed information regarding the dividends paid during the last 3 years, including those to be approved for distribution in 2016, is presented in the table below:

| Year | Gross dividend/share (RON) | Total dividends (RON) | GSM date | Registration date | Payment date |
|------|----------------------------|-----------------------|------------------|-------------------|-------------------|
| 2015 | 0.8786 | 6,666,555 | 26/27 April 2016 | 17 May 2016 | 6 June 2016 |
| 2014 | 1.4579 | 11,188,524 | 28 April 2015 | 5 June 2015 | 26 June 2015 |
| 2013 | 1.1777 | 9,038,104 | 25 April 2014 | 15 May 2014 | Since 2 June 2014 |

The Dividend Policy of BVB is available on the Company's website at http://bvb.ro/info/BVB%20politica%20dividend_decemarie%202015.pdf.

Details regarding to employees

The change of the number of employees is presented in the table below:

| | 2014 | | 2015 | |
|----------------------------------|------------|------------|------------|------------|
| | End-year | Average | End-year | Average |
| Bucharest Stock Exchange | 43 | 42 | 45 | 42 |
| Central Depository | 52 | 63 | 54 | 55 |
| Investors Compensation Fund | 5 | 4 | 4 | 3 |
| Bucharest Clearing House | 8 | 5 | 7 | 5 |
| Total number of employees | 108 | 114 | 110 | 105 |

Bucharest Stock Exchange

BVB Directors' Consolidated Report for 2015

BVB's number of employees increased by 2 in 2015 compared to 2014. Out of the 45 employees of BVB as of end-2015, one employee was secondary school educated, while the rest had higher education.

Investments in subsidiaries

On 31 December 2015, the Bucharest Stock Exchange was a shareholder in other entities, as follows:

| | Value of the holding |
|--|-----------------------------|
| Central Depository | 20,243,932 |
| Bucharest Clearing House | 3,651,494 |
| Investors Compensation Fund | 214,843 |
| Institute of Corporate Governance Foundation | <u>50,000</u> |
| Total | 24,160,269 |

Following the evaluation of the Bucharest Clearing House within the project of transforming it into a central counterparty, factors have been identified pointing towards the depreciation of the value of BVB's participation as at 31 December 2015 and an adjustment to the investment value was registered, of RON 223,279. The value of the adjustment accounts for 100% of the decline in value of BCH's net assets below the holding value booked in BVB's accounting records. The balance of adjustments for the depreciation of BVB's investment in subsidiaries at the end of 2015 was RON 1,033,104.

Use of financial investments. Financial risk management

The Company's activities expose it to various risks such as market risk, which in its turn includes currency risk and interest rate risk, credit risk, liquidity risk. The management of BVB aims at reducing the potential adverse effects associated with these risk factors upon the Company's financial performance.

Market risk. The market risk is the risk that changes in market prices, such as the foreign exchange rate, interest rate and price of equity instruments, to affect the Company's revenues or the value of the financial instruments held. The company operates in a developing economy, with fluctuant exchange rates, which may lead to value losses for assets denominated in foreign currencies.

The objective of the market risk management is to manage and control exposures to market risk in acceptable parameters and at the same time to optimize the return on investment.

The company is exposed to the market risk through its cash denominated in foreign currencies and through investments in bank deposits and treasury certificates. However, based on the analysis of the net assets and sensitivities to changes EUR and USD exchange rates, BVB management does not expect significant losses.

Credit risk. The financial assets that lead to potential concentrations of credit risk mainly relate to receivables from the core activity and financial investments. Receivables are presented at their net value, after the provision for doubtful receivables. The credit risk is limited due to a low number of clients from the Company's portfolio of clients. Thus, management considers that the company has no significant concentration of credit risk.

As regards financial investments, BVB limits its exposure to credit risk by investing only in liquid instruments issued by counterparties who have a satisfactory credit quality. The Company's management constantly monitors the credit quality and, given that the Company has invested only in instruments with high credit quality, its management does not expect the counterparties to fail to meet their contractual obligations.

Liquidity risk. A wise liquidity risk management implies keeping enough cash to cover working capital needs to run the business. The Company's cash & equivalents policy is to maintain sufficient resources in order to fulfill its obligations as they become due.

More details regarding the Company's exposure to each of the above-mentioned risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's procedures for managing of capital, are available in the financial statements.

Corporate Governance

During 2015, the BVB Bylaws was changed following the entry into force of the Emergency Ordinance no. 90/2014 for changing the Law no. 297/2004 on capital markets, which raised the maximum threshold for market operators from 5% to 20%, and of the Law no. 268/2015 for approving the Emergency Ordinance no. 90/2014, through which the conditions for quorum and the majority of votes needed for calling the extraordinary general meetings of shareholders of a market operator were aligned to the conditions stipulated by Companies Law no. 31/1990, with subsequent amendments. The applicable version of BVB Bylaws, amended, is available on the Company's website at http://bvb.ro/info/Act%20constitutiv_decembre%202015.pdf.

Board of Governors

The management of the Company is done in a unitary system and is entrusted to a Board of Governors, elected by the General Meeting of Shareholders, made out of 9 members, physical persons, with a mandate of 4 years.

The composition of the Board of Governance, as decided by the General Meeting of Shareholders on 9 January 2012, remained unchanged during 2015:

- Lucian-Claudiu Anghel, President
- Pompei Lupșan, Vicepresident
- Dan Paul, Vicepresident
- Robert-Cosmin Pană, Secretary general
- Stere Farmache, Member
- Narcisa Oprea, Member
- Valerian Ionescu, Member
- Octavian Molnar, Member
- Matjaz Schroll, Member

Brief presentation of the professional experience of the members of the Board of Governors:

Mr. Lucian Anghel – President

Date of birth: 1972

Nationality: Romanian

Education:

- Post-graduate studies: similar MBA, HEC Montreal Canada
- Post-graduate studies: Bank Risk Management, Georgetown University Washington
- PhD in Economy, Academy of Economic Studies, Bucharest
- Advanced studies (Master), Academy of Economic Studies, Bucharest
- Degree in Economic Informatics, Academy of Economic Studies, Bucharest

Professional Experience:

- 2015-present: President of the Executive Committee, BCR Banca pentru Locuințe
- 2013-present: Professor, Scoala Nationala de Studii Politice si Administrative
- 2012-2016: President of the Board of Governors, Bucharest Stock Exchange
- 2012-2015: President & CEO, BCR Pensii
- 2009-2010: Member of the Board of Directors, Erste Asset Management
- 2007-2012: Chief Economist and executive director of Strategy and Research Division, BCR
- 2005-2009: Member of the Board of Directors, BCR Asset Management
- 2005-2007: Deputy Treasurer, BCR
- 2003-2005: Deputy Director of BCR Structuring Plan Implementation Team together with the EBRD and IFC
- 2002-2003: Advisor to the BCR President, financial analyst

Other positions in the BVB Committees:

- President, Index Commission
- Member, Regulations, New products Development Commission

Mr. Pompei Lupșan – Vicepresident

Date of birth: 1974

Nationality: Romanian

Education:

- Degree in Economics, Academy of Economic Studies, Bucharest

Professional Experience:

- 2014-2014: Executive Director, SAI Certinvest
- 2005-2013: Deputy General Manager, SSIF Intercapital Invest
- 2003-2004: Financing Consultant, Economotechniki
- 2001-2003: Project Manager, general officer, Raiffeisen Bank
- 2000-2001: Editor, Adevarul publication
- 1997-1999: Trader, SSIF Unicapital

Other positions in the BVB Committees:

- President, Appeal Committee

Mr. Dan Paul – Vicepresident

Date of birth: 1968

Nationality: Romanian

Education:

- Capital Markets Specialist, BVB in collaboration with University of Wisconsin (USA)
- Degree in Economics, Academy of Economic Studies, Bucharest

Professional Experience:

- 1997-present: President, CEO, SSIF Finaco Securities SA
- 2005-present: President of Brokers Association
- 2006-2010: Vice President, Bucharest Stock Exchange

Other positions in the BVB Committees:

- Member, Appeal Committee
- Alternate Member, Regulations, New products Development Commission
- Member, Audit Committee

Mr. Robert Pană – Secretary general

Date of birth: 1979

Nationality: Romanian

Education:

- Degree in Civil Procedural Law

Professional Experience:

- 2011-present: Legal Advisor, Swiss Capital

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- 2008-2011: Legal Advisor, Central Depository
- 2002-2008: Legal Advisor, Bucharest Stock Exchange

Other positions in the BVB Committees:

- Alternate President, Regulations, New products Development Commission
- Alternate President, Appeal Committee

Mr. Stere Farmache – member

Date of birth: 1956

Nationality: Romanian

Education:

- PhD in Economics
- Regional Institute of Public Administration, Paris
- Financial Auditor
- Expert Accountant
- Degree in Finance, Accounting, Academy of Economic Studies, Bucharest

Professional Experience:

- 2014-present: Co-Founder and Member of the Board, Romanian Association for Good Governance
- 2009-2013: Executive Prime Vice-President, Alpha Bank Romania, Member/President of the Board of Directors, Alpha Finance Romania
- 2008-2012: President, Bucharest Stock Exchange
- 2006-2010: Vice-President, Central Depository
- 1995-2008: CEO, Bucharest Stock Exchange
- 1995: General Manager, National Securities Commission
- 1987-1995: Ministry of Finance

Other positions in the BVB Committees:

- Member, Listing Commission
- Member, Audit Committee

Mrs. Narcisa Oprea – member

Date of birth: 1975

Nationality: Romanian

Education:

- Degree in Law, Bucharest University

Professional Experience:

- 2012-present: Member of the Board of Directors of Corporate Governance Institute of Bucharest Stock Exchange
- 2009-present: Partner, Schoenherr and Associates
- 2003-present: Assistant Professor, University of Banking Finance, Bucharest
- 2008-2009: Coordinating Attorney, Capital Markets Area, Schoenherr and Associates
- 2003-2008: Coordinating Lawyer, Capital Markets Department, Boștina and Associates
- 1998-2002: Coordinator of the Legal Department, Bucharest Stock Exchange

Other positions in the BVB Committees:

- 2012-2014: President, Appeal Committee

Mr. Valerian Ionescu – member

Date of birth: 1972

Nationality: Romanian

Education:

- Executive Development Program Diploma, HEC Montreal Canada and BCR University
- Degree in Economics, Academy of Economic Studies, Bucharest

Professional Experience:

- 2013 - present: Sales Expert, Regulated Markets, BCR
- 2007 - 2013 : Head of Trading and Sales of Financial Instruments Traded on Regulated Markets, BCR
- 1995-2007: Trading Director/ Interim General Manager/ Board Member, SSIF UniCredit CAIB Securities

Other positions in the BVB Committees:

- President, Regulations, New products Development Commission
- Alternate President, Listing Committee
- Alternate Member, Appeal Committee
- Member, Audit Committee

Mr. Octavian Molnar – member

Date of birth: 1966

Nationality: Romanian

Education:

- Degree in Economics, "Aurel Vlaicu" University, Arad
- Degree in Mechanical Engineering, Polytechnic Institute "Traian Vuia", Timisoara

Professional Experience:

- 2011-2016: Board Member, Bucharest Stock Exchange
- 2012-present: CEO/President of the Board, SSIF IFB Finwest SA, Arad
- 2009-present: Board Member, Regia Autonomă „Administratia Zonei Libere Curtici”, Arad
- 2004-2012: Deputy General Manager, SSIF IFB Finwest SA, Arad
- 1999-2004: General Manager, SSIF IFB Finwest SA, Arad
- 1997-1999: General Manager, COMTEX SA, Arad
- 1994-1999: Collaborator, EXPERT SA, Arad
- 1994-1997: Reviewer, Financing Department; Chief of Feasibility Studies Unit, New Investments Department, FPP I Banat Crișana
- 1993-1994: Engineer, Marketing Department, ARIS SA, Arad
- 1992-1993: Design engineer, Design Unit, ARIS SA, Arad
- 1991-1992: Process engineer, ARIS SA, Arad
- 1990-1991: Engineer, Process Design Unit, SEVAM SA, Drobeta Tr.Severin

Other positions in the BVB Committees:

- President, Listing Committee

Mr. Matjaz Schroll – member

Date of birth: 1973

Nationality: Slovene

Education:

- Master in Business Administration Science, Franzens University, Graz, Austria
- School of Natural Sciences and Mathematics, Celje, Slovenia

Professional Experience:

- 2006-present: Head of Private Equity Central & Eastern Europe, Templeton Emerging Markets Group
- 1999-2006: Capital Markets Analyst, Mergers & Acquisitions Vice President, Corporate Finance & Brokerage Publikum

Other positions in the BVB Committees: -

As the mandates of the Board of Governors were to expire on 30 January 2016, the Ordinary General Meeting of Shareholders held on 14 December 2015 appointed for a term of 4 years new members of the Board of Governors, who were individually validated by the Financial Supervision Authority by decisions no. 206-214/27.01.2016. At its meeting in February 2016, the new Board of Governors elected the Vicepresidents and the Secretary General of the Board. Therefore, the present composition of the Board of Governors is the following:

- Lucian-Claudiu Anghel, President, independent
- Valerian Ionescu, Vicepresident, independent
- Robert-Cosmin Pană, Vicepresident
- Cristian Micu, Secretary General, independent
- Gabriel Marica, Member, independent
- Octavian Molnar, Member
- Otto Emil Naegeli, Member, independent
- Dan-Viorel Paul, Member
- Radu Toia, Member, independent

Information on the professional experience of the Board of Governors members can be found on the Company's website <http://www.bvb.ro/AboutUs/ManagementStructure>.

Members are elected at the Ordinary General Meeting of Shareholders, on the vote of shareholders in compliance with legal requirements regarding quorum and majority. BVB is not aware of agreements, arrangements or family connections between members of the Board of Governors and others, due to which those members were appointed directors of the Company. Also, the members of the Board of Governors have an obligation to submit an annual declaration of conflict of interest.

The working environment for the Board of Governors is regulated by the Bylaws, as well as by the BVB Regulation on the Organization and Operation, documents which can be found on the BVB website <http://www.bvb.ro/InvestorRelations/Overview>.

In exercising its powers, during 2015, the Board of Governors met in 28 sessions - 15 of which were held exclusively by remote participation of its members, with an average participation of 83%.

According to the Bylaws, the secretariat for the meetings of the Board of Governors is appointed by the CEO from among the employees of the Company, and was ensured in 2015 by Mrs. Corina Mocanu, Head of General Secretariat, and Ms. Diana Mureşan, Legal Adviser.

During 2015, the Board of Governors analyzed mainly the following topics:

- Changes of the BVB Rulebook – market and system operator;
- Admission or withdrawal to/from trading of some Participants or financial instruments;
- Revision of the tariffs and fees;

- Development of new products;
- Adoption of the new Corporate Governance Code and development of several policies for the Company to comply to its provisions;
- Change of the Regulation on the Organization and Operation;
- Evaluation of internal control and internal audit;
- Evaluation of executive management and the implementation of the delegation of powers granted to it;
- Convening of the General Meeting of Shareholders for appointment of the BVB candidates to the boards of the companies controlled by BVB, approval of the financial statements for 2014, of the distribution of profit, the remuneration and the reward for Board members and directors, the budget and business plan for 2015, the amendments of the Bylaws, the election of new directors;
- The Company's exercise of the shareholder rights in its subsidiaries etc.

For complying with the stipulations of the new Corporate Governance Code, in its meeting of March 2016, the Board of Governors approved the evaluation policy of the Board, considering an annual self-evaluation for performance and for efficiency of the Board, followed by an information on the action points which results from the evaluation.

In order to comply with the requirements of FSA Rule no. 39/2015, the Board of BVB, the parent company of BVB Group, has the obligation to prepare the consolidated administrators report that presents the development and performance as well as the financial position of the entities included in the consolidation process. BVB shall not prepare an administrators report for the parent company and shall include all relevant information in the consolidated administrators report, in accordance with art. 30, par. (4) of FSA Rule no. 39/2015.

Activity of the Special Commissions and the Advisory Committees

Special Commissions

By the decision of the Board of Governors were created the BVB Special Commissions – with no legal status and having a consultative role for the activity of the Board of Governors, which perform their activity as per the terms of reference stipulated in the BVB Regulation on the Organization and Operation.

Listing Commission provides consultancy in order to ensure conformity, order and efficiency in the process of admission, upgrading, downgrading and withdrawal to/ from the regulated market and the alternative trading system or the Nasdaq market operated by BVB.

In 2015, the Commission met in 38 sessions, mainly for admission to trading of companies on main market and AeRO.

Appeal Commission provides consultancy in solving the appeals introduced by the Participants on the BVB trading system and by stock / derivatives agents against the penalizations or the preventive measures issued by the BVB CEO or Deputy-CEO, as the case may be.

In 2015, the Commission didn't meet, as there were no appeals, incident to its object of activity.

Index Commission provides consultancy for the development of new BVB indices and administrative support for the necessary index adjustments.

In 2015, the Commission met in 4 sessions for index management and analysis on developing the BVB indices, and proposed to the Board of Governors the launch of BET-XT-TR index.

Regulations, New products Development Commission¹, with consultative role in the process of diversifying the type of stock exchange operations and the financial instruments available on BVB, met only once in 2015, for discussing on the listing of new types of certificates, diversifying the range of underlying assets for the existing ones, listing of new ETFs, introduction to trading of warrants, as well as new market techniques.

¹ Once the changes to the BVB Regulation of Organization and Operation became effective, on July 30, 2015, the stipulations on the existence of the Regulations, New products Development Commission were repealed. The applicable version of the Regulation of Organization and Operation of BVB is available on the Company's website at http://bvb.ro/Juridic/files/ROF%20BVB%20_aprobat%20prin%20decizia%20ASF%20nr%201681_17.07.2015_RO.pdf

Until the changes of the BVB Regulation of Organization and Operation became effective on 30 July 2015, the composition of the BVB special commissions was as follows:

| <u>Listing Commission</u> | <u>Full members</u> | <u>Substitute members</u> |
|--|---|---|
| | Octavian Molnar – President Stere Farmache Marin Ţerban Lucian Isac Mircea Ţefan Solovastru | Valerian Ionescu – President Pompei Lupşan Răzvan Paşa Nicolae Moroianu Viorica Nagy |
| <u>Regulation, New product Development Commission</u> | <u>Full members</u> | <u>Substitute members</u> |
| | Valerian Ionescu – President Lucian Anghel Cernica Tudor Iuliana Muşat Cristian Micu | Robert Pană – President Dan Paul Ionuţ Stafie Daniel Gavrilă Fulea Lucian |
| <u>Appeal Commission</u> | <u>Full members</u> | <u>Substitute members</u> |
| | Pompei Lupşan – President Dan Paul Cătălin Nae-Şerban Mihai Mureşian Octavian Dragolea | Robert Pană – President Valerian Ionescu Mario Bulimente Cristina Pavel Elisabeta Corcan |
| <u>Index Commission</u> | | <u>Composition</u> |
| | | Lucian Anghel – BVB President Ludwik Sobolewski – BVB CEO Adrian Mitroi – CFA Association Romania Bogdan Câmpianu – Representative of a Participant Ovidiu Dumitrescu – Representative of a Participant |

Once the changes to the BVB Regulation of Organization and Operation became effective, the stipulations on the existence of the alternate members were repealed, the composition of the special commissions being affected in this way.

In its meeting of February 2016, the Board of Governors nominated between themselves the new members of the BVB Special Commissions, so that their current composition is as follows:

| <u>Listing Commission</u> | <u>Composition</u> |
|----------------------------------|--|
| | Cristian Micu – President Radu Toia – Vicepresident Şerban Marin – Member Lucian Isac – Member Mircea Stefan Solovastru – Member |

| <u>Appeal Commission</u> | <u>Composition</u> |
|--------------------------|------------------------------------|
| | Gabriel Marica – President |
| | Robert-Cosmin Pană – Vicepresident |
| | Cătălin Nae-Şerban – Member |
| | Mihai Mureşian – Member |
| | Octavian Dragolea – Member |

| <u>Index Commission</u> | <u>Composition</u> |
|-------------------------|---|
| | Lucian Anghel – BVB President |
| | Ludwik Sobolewski – BVB CEO |
| | Adrian Mitroi – CFA Association Romania |
| | Bogdan Câmpianu – Representative of a Participant |
| | Ovidiu Dumitrescu – Representative of a Participant |

Advisory Committees

According to Companies Law no. 31/1990, within BVB Board of Governors operate Advisory Committees made out of two or more Board members, which are bodies having an advisory role for the Board of Governors in areas such as audit, remuneration of administrators, directors as defined by the Law 31/1990, or nomination of candidates for various management positions.

The Advisory Committees are organized and function based on the stipulations of the Regulation on the Organization and Operation of BVB, which adds to the stipulations of the regulations/terms of reference for each committee (the specific terms of reference for each advisory committee are available on BVB website <http://www.bvb.ro/AboutUs/ManagementStructure>).

The Audit Committee assists the Board of Governors in evaluation of the efficiency and functionality of Company's management, resources allocation efficiency, the way the risks facing the Company are mitigated, including the organization and functioning framework of the internal control, the implementation of corporate governance rules and the way the Company audit is performed.

In 2015, the Audit Committee met in 2 sessions, targeting mainly budget and internal audit aspects.

In 2015, the composition of the Audit Committee remained unchanged, its members being Stere Farmache, Dan Paul and Valerian Ionescu. In the February 2016 meeting of the Board of Governors, were nominated the new members of the Audit Committee (non-executive directors, independent), the new composition being as follows:

- Otto Emil Naegeli – President
- Lucian-Claudiu Anghel – member
- Valerian Ionescu – member

The role of the **Nomination Committee** is to assist Board of Directors in connection with the appointment of Special Commissions members, recommendations for filling in the vacancies in the Board of Governors, setting the requirements for the positions as member of the Board of Governors, Special Committee and directors, as defined by the Law 31/1990.

The Nomination Committee becomes functional and starts its activity in February 2016, once with the nomination of its members by the new Board of Governors. All members of the Nomination Committee are non-executive directors, independent, its composition being the following:

- Radu Toia – President
- Lucian-Claudiu Anghel – member
- Otto Emil Naegeli – member

The Nomination Policy of the Company was approved by the Board of Governors in the meeting held in March 2016.

The role of the **Remuneration Committee** is to assist the Board of Directors in order to develop and oversee the remuneration policy for administrators, members of Special Committees and directors as defined by the Law 31/1990.

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The Nomination Committee becomes functional and starts its activity in February 2016, once with the nomination of its members by the new Board of Governors. All members of the Remuneration Committee are non-executive directors, independent, its composition being the following:

- Cristian Micu – President
- Radu Toia – member
- Otto Emil Naegeli – member

Executive management

In 2015, the executive management was ensured by:

| Person | Function |
|--------------------------|---|
| Ludwik Leszek Sobolewski | CEO, director as per Law no. 31/1990, contract for 4 years, Aug 2013-Aug 2017 |
| Alin Marius Barbu | Deputy CEO, director as per Law no. 31/1990, contract for unlimited period |

BVB is not aware of any agreements, understandings or family relations between members of executive management and others, due to which the respective persons have been appointed to the executive management. Also, the members of the executive management have the obligation to submit annual statement on conflict of interest.

Moreover, at the date when preparing this report, BVB is not aware of the existence in 2015 of any litigation or administrative proceedings against members of the Board of Governors or the executive management directly related to their activities concerning the Company or their ability to perform their duties within the Company.

The ownership in BVB shares for the members of the Board of Governors and the executive management are presented below:

| | | |
|-------------------|--------|------------|
| Lucian Anghel | 835 | BVB shares |
| Pompei Lupșan | 923 | BVB shares |
| Dan Paul | 2,747 | BVB shares |
| Robert Pană | 830 | BVB shares |
| Stere Farmache | 2,245 | BVB shares |
| Narcisa Oprea | 1,100 | BVB shares |
| Valerian Ionescu | 975 | BVB shares |
| Octavian Molnar | 843 | BVB shares |
| Matjaz Schroll | 0 | BVB shares |
| Ludwik Sobolewski | 24,985 | BVB shares |
| Alin Barbu | 0 | BVB shares |

Remuneration for the members of the Board and executives

In 2015, the remuneration for the members of the Board and executives was made based on the mandate contracts, as well as the decision of the BVB OGMS no. 4/27.04.2015, which approved the remuneration of the directors for the 2015 financial exercise and the rewarding of the directors for the 2014 financial exercise.

The Remuneration Policy was adopted by the Board of Governors at the end of 2015 and establishes the guidelines for the remuneration of the management structure, respectively the members of the executive management (directors, as per Law no. 31/1990) and of non-executive management (members of the Board of Governors, Special Commissions and Advisory Committees) of the Company. For consulting the policy, please visit BVB website <http://www.bvb.ro/InvestorRelations/Overview>.

Internal control and risk management systems

The internal control systems at BVB are organized as procedures meant to detect and minimize any risk of BVB of not fulfilling its obligations as per the stipulations of CNVM Regulation no. 2/2006 and of EC Regulation no. 1287/2006, as well as the associated risks. These standards define the standards which BVB as a company and its personnel must apply, the objective of the standards being an uniform and coherent model for internal control. The standards make a reference system, relative to which it is evaluated and are identified the zones and directions of change.

The risk management systems at BVB are organized as procedures which establish the necessary framework for identifying, analyzing and manage the risks in a controlled and efficient way, with the purpose of BVB reaching its specific objectives. The purpose of the risk management procedures is to establish the risk tolerance limits, the necessary activities for identifying and evaluating risks, as well as establishing the type of reaction to risk.

President,

Lucian Claudiu Anghel

General Manager,

Ludwik Sobolewski

Financial Manager,

Virgil Adrian Stroia

Annex 1 – Statement with regard to BVB's compliance with the Corporate Governance Code

| Principle | Requirement | Status at 31 December 2015 | If does not comply, action towards compliance |
|-----------|--|-------------------------------|---|
| A1 | All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A. | Comply | |
| A2 | Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest. | Comply | |
| A3 | The Board of Directors should have at least five members. | Comply | |
| A4 | The majority of the members of the Board of Directors should be non-executive. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board of Directors should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment in practice and according to the criteria from the BVB Corporate Governance Code. | Comply | |
| A5 | A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate. | Comply | |
| A6 | Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board. | Comply | |
| A7 | The company should appoint a Board secretary responsible for supporting the work of the Board. | Comply | |
| A8 | The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process. | Don't Comply | As the new Board started its mandate at the end of January 2016, measures will be taken regarding its evaluation during 2016. With regard to the Evaluation |

| | | | |
|-----|---|--------------|---|
| | | | Policy, we Comply as of March 2016, when the new Board approved it. |
| A9 | The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities. | Comply | |
| A10 | The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors. | Comply | |
| A11 | The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent. | Don't Comply | Comply as of February 2016, when the new Board selected the members of the Nomination Committee, as the Committee itself was already established since 2015. With regard to the Nomination Policy, Comply as of March 2016, when the new Board approved it. |
| B1 | The Board should set up an audit committee, and at least one member should be an independent non-executive. The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting experience. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent. | Comply | |
| B2 | The audit committee should be chaired by an independent non-executive member. | Don't Comply | Comply as of February 2016, when an independent Chairman was nominated by the new Board for the Audit Committee. |
| B3 | Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control. | Comply | |
| B4 | The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board. | Comply | |
| B5 | The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties. | Comply | |
| B6 | The audit committee should evaluate the efficiency of the internal control system and risk management system. | Comply | |
| B7 | The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team. | Comply | |

| | | |
|-----|--|--------|
| B8 | Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by cyclical (at least annual), or ad-hoc reports to be submitted to the Board afterwards. | Comply |
| B9 | No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties. | Comply |
| B10 | The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements. | Comply |
| B11 | The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity. | Comply |
| B12 | To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer. | Comply |
| C1 | The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. The remuneration policy should be formulated in such a way that allows stakeholders to understand the principles and rationale behind the remuneration of the members of the Board and the CEO, as well as of the members of the Management Board in two-tier board systems. It should describe the remuneration governance and decision-making process, detail the components of executive remuneration (i.e. salaries, annual bonus, long term stock-linked incentives, benefits in kind, pensions, and others) and describe each component's purpose, principles and assumptions (including the general performance criteria related to any form of variable remuneration). In addition, the remuneration policy should disclose the duration of the executive's contract and their notice period and eventual compensation for revocation without cause. The remuneration report should present the implementation of the remuneration policy vis-à-vis the persons identified in the remuneration policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion. | Comply |
| D1 | The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including: D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures; D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional | Comply |

commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with the present Code; D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure approved for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions taken; D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions; D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request; D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.

| | | |
|----|---|--------|
| D2 | A company should have an annual cash distribution or dividend policy, proposed by the CEO or the Management Board and adopted by the Board, as a set of directions the company intends to follow regarding the distribution of net profit. The annual cash distribution or dividend policy principles should be published on the corporate website. | Comply |
| D3 | A company should have adopted a policy with respect to forecasts, whether they are distributed or not. Forecasts means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website. | Comply |
| D4 | The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders. | Comply |
| D5 | The external auditors should attend the shareholders' meetings when their reports are presented there. | Comply |
| D6 | The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting. | Comply |

| | | |
|-----|---|--------|
| D7 | Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise. | Comply |
| D8 | The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms. | Comply |
| D9 | A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls. | Comply |
| D10 | If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area. | Comply |

Anexa 2 – Raportul anual în privința mediului înconjurător și cel social / Annex 2 – Annual Environmental & Social Report

Istoricul operatorului de piață / *Background on the Stock Exchange*

Numele operatorului de piață / *Name of Stock Exchange*: Bursa de Valori București (BVB)

Adresă / *Address*: Blvd Carol I nr. 34-36, etaj 13-14, București, 020922

Țară / *Country*: România

Reprezentantul companiei / *Company representative*: Lucian Anghel, Președinte al Consiliului de Administrație/
President of the Board of Governors

Certific faptul că datele conținute în acest raport reflectă complet și corect activitatea desfășurată în această perioadă de raportare. / *I certify that the data contained in this report completely and accurately represents operations during this reporting period.*

Semnătura / *Signature*:

Funcția / *Title*:

Data / Date: 16 March 2016

Președinte al Consiliului de Administrație/ *President of the Board of Governors*

Detalii de contact / *Contact Details*:

Telefon / *Telephone*: +40 21 307 95 00

Mobil / *Mobile*: -

E-mail: roxana.sirbu@bvb.ro

Data raportului / *Date of Report*: 16.03.2016

Perioada de raportare / *Reporting Period*: 2015

Operatorul de piață activează la nivel internațional? /
Does the Stock exchange operate internationally?

Activează în mai mult de o
țară / *Operates in more than one
country*

Activează doar în această țară
/ *Operates only in this country*

Numărul angajaților din țară / *Number of employees
in country*

<50 51-100

101-500 >500

Alți IFI / MDBs / donatori care asigură finanțarea
operatorului de piață / *Other IFIs / MDBs / Donors
providing financing to the Stock exchange*

IFC EIB EU
 World Bank ADB FMO
 KFW/DEG Altele (vă rog
specificați) / *Other
(please specify)* N/A

Natura relației de afaceri cu BERD acoperită în acest raport / Nature of business relationship(s) with EBRD covered in this report

Operațiune / Operation

Împrumut / Loan

Fond / Fund

IMM / SME

TFP

Leasing /

Leasing

MSME

Ipotecă /

Mortgage

Participație la
capital / Equity

Secțiunea 1: Conformarea cu prevederea BERD PR9 Capacitatea și suportul pentru mediu /

Section 1: Compliance with EBRD PR9 Environmental Capacity and Support

Operatorul de piață are politici și proceduri privind mediul înconjurător și cel social adoptate în mod formal? / Does the stock exchange have a formally adopted Environmental and Social Policy or Procedures?

Da / Yes

Nu, BVB nu are o Politică sau Procedură integrată de guvernanță privind mediul înconjurător și cel social, dar acoperă aspectele relevante în acest domeniu în diferite documente corporative./ No, BVB does not have an integrated ESG Policy or Procedure, but it has covered the ESG relevant aspects in various corporate documents.

Ce aspecte acopera Politică privind mediul înconjurător și cel social? / What aspects does the Environmental and Social (E&S) Policy cover?

Mediul înconjurător / Environment

Mediul social (ex. aspecte de muncă) / Social (eg labour issues)

Sănătate și siguranță la locul de muncă / Health and Safety

Aspecte privind mediul înconjurător și cel social specifice operatorului de piață / E&S issues associated with the stock exchange

Aspecte privind mediul înconjurător și cel social specifice companiilor (care vor fi) listate și instrumentelor tranzacționate / E&S issues associated with companies (to be) listed and papers traded

Nu se aplică / Not Applicable

Nu / No

Operatorul de piață participă în The Sustainable Stock Exchanges Initiative? <http://www.sseinitiative.org> / Does the Exchange participate in The Sustainable Stock Exchanges Initiative? <http://www.sseinitiative.org>

Da / Yes

Nu / No

Nu știu / Don't know

Există companii ale căror instrumente sunt listate pe piețele administrate de operatorul de piață implicate în activitățile cuprinse în Lista activităților excluse a BERD (disponibilă [aici](#))? / Are any of the companies whose papers are listed on the Exchange involved in activities on the EBRD's Environmental and Social Exclusion List (available [here](#))?

Da / Yes

Nu / No

Nu știu / Don't know

Operatorul de piață admite și permite tranzacționarea instrumentelor financiare ale companiilor încadrate în categoria clientilor cu risc ridicat, clasificați astfel în lista categoriilor de risc în ceea ce privește mediul înconjurător și cel social a BERD

(<http://www.ebrd.com/downloads/about/sustainability/ebrd-risk-english.pdf>) / Does the stock exchange list and trade papers of companies with high E&S risk clients according to EBRD's environmental and social risk categorisation list (see <http://www.ebrd.com/downloads/about/sustainability/ebrd-risk-english.pdf>)

Furnizați un eșantion al companiilor listate din ultimul trimestru împărțite pe sectoare de industrie. / Provide a sample breakdown by industry sector of listed companies dating from the last quarter.

Reglementările pentru admiterea la tranzacționare a companiilor prevăd în mod specific dezvăluirea riscurilor și obligațiilor semnificative în privința mediului înconjurător și cel social, precum și a modului în care sunt abordate de companie? / Do listing rules for issuing companies specifically cover disclosure of material E&S risks and liabilities, and how they are being addressed by the company?

Da, în sensul că BVB nu are criterii de eligibilitate în privința mediului înconjurător și cel social pentru admiterea și tranzacționarea companiilor pe piețele pe care le administrează. Totuși, companiile care doresc să se listeze dezvăluie în prospectul de admitere riscurile cu care compania se confrunta și modul în care le atenuează. După listare, companiile din anumite sectoare recunoscute de legislația națională în vigoare ca fiind cu risc în privința mediului înconjurător și cel social sunt în general preocupate de riscurile în privința mediului înconjurător și cel social și de modalitățile de atenuare a acestora. / Yes, in the sense that BVB does not have an ESG eligibility criteria for admitting companies to list/trade on the markets it operates. But, the companies wanting to list disclose in their admission prospectus the risks the companies faces and the way it mitigates these risks. After listing, companies from certain sectors recognised with ESG risk by national legislation in place are generally concerned about ESG risks and how they mitigate against them

Pe piața principală și sistemul alternativ de tranzacționare administrate de BVB sunt disponibile la tranzacționare instrumente financiare ale emișenților provenind din următoarele sectoare: agricultura, păduri și pescuit (7); industria extractivă (11); industria producătoare (169); furnizare de energie electrică și termică, gaze și aer condiționat (4); alimentare cu apă, canalizare, gestionarea deșeurilor, activități de decontaminare (1); construcții (33); comerț en-gros și en-detail (33); reparări autovehicule și motociclete (33); transport și depozitare (19); activități de cazare și alimentație publică (28); IT&C (3); activități financiare și de asigurări (154); activități imobiliare (20); activități profesionale, științifice și tehnice (13); activități de servicii administrative și suport (6); administrație publică și apărare, asigurări sociale obligatorii (1) / On the BVB main market and alternative trading system are available for trading financial instruments of issuers coming from the following sectors: agriculture, forestry and fishing (7); mining and quarrying (11); manufacturing (169); electricity, gas, steam and air conditioning supply (4); water supply, sewerage, waste management and remediation activities (1); construction (33); wholesale and retail trade (33); repair of motor vehicles and motorcycles (33); transportation and storage (19); accommodation and food service activities (28); information and communication (3); financial and insurance activities (154); real estate activities (20); professional, scientific and technical activities (13); administrative and support service activities (6); public administration and defence, compulsory social security (1).

Da (vă rugăm să oferiți detalii și să arătați unde sunt prevăzute aceste cerințe, ex. în legea societăților, reglementările operatorului de piață, statutul și politicile operatorului de piață etc) / Yes (please give details and state where the requirement is located, e.g. company law, Stock Exchange regulations, Stock exchange's own statutes/policies etc.)

Nu / No

| | |
|--|--|
| <p>Operatorul de piață oferă consultanță și/sau cursuri pe aspecte legate de sustenabilitate companiilor și/sau investitorilor? / Does the stock exchange offer sustainability-related guidance and/or training companies and/or investors?</p> | <input checked="" type="checkbox"/> Da / Yes <input type="checkbox"/> Nu / No <input type="checkbox"/> Nu știu / Don't know |
| <p>Vă rugăm să furnizați detalii despre orice inițiativă a operatorului de piață, avută sau planificată, pentru creșterea conștientizării emitenților și/sau pentru promovarea sau solicitarea unei mai bune transparențe și informării în ceea ce privește realizările și factorii de risc legate de mediul înconjurător și cel social. / Please provide details of any initiatives taken or planned by the Exchange to raise issuing companies' awareness and/or to promote or require better transparency and disclosure on E&S-related performance and risk factors.</p> | <p>BVB a devenit membru al UN SSE în 2015 și are în plan pentru 2016 organizarea de întâlniri de lucru cu emitenții și stakeholderii pieței de capital în domeniul guvernantei în privința mediului înconjurător și cel social, astfel încât, pentru raportul anual pentru 2016, emitenții vor fi pregătiți să includă o secțiune de guvernare în privința mediului înconjurător și cel social. / BVB became member of the UN SSE in 2015 and has in plan for 2016 workshops for issuers and capital market stakeholders in the ESG area, so that, for the 2016 annual report, the issuers will be prepared to include an ESG section.</p> |
| <p>Operatorul de piață administrează sau are în plan să administreze indici de sustenabilitate? / Does the Exchange operate or plan to operate any sustainability indices?</p> | <input checked="" type="checkbox"/> Da (are în vedere crearea unui indice de guvernare corporativă, cu un criteriu de eligibilitate din punct de vedere al mediului înconjurător și cel social) / Yes (has in plan to design a corporate governance index, with an ESG eligibility criteria) <input type="checkbox"/> Nu / No |
| <p>Operatorul de piață a semnat acorduri sau declarații la nivel național, internațional sau pe industrii în privința mediului înconjurător sau cel social? / Has the Stock exchange signed any national, international or industry agreements or declarations concerning environmental and social issues?</p> | <input checked="" type="checkbox"/> Da (aderat la standardele UN SEE în privința mediului înconjurător și cel social)/ Yes (adhered to the UN SEE standards on ESG) <input type="checkbox"/> Nu / No |

Angajamentul stakeholderilor / Stakeholder Engagement

| | |
|---|---|
| <p>Există un punct de contact pentru solicitările sau preocupările publice legate de mediul înconjurător și cel social? / Is there a point of contact for dealing with public enquiries and concerns related to environmental and social matters?</p> | <p>Nume / Name: Marian Pavel Titlu / Title: Economic Specialist Telefon/mobil / Phone/mobile: +40 21 307 95 00 E-mail: marian.pavel@bvb.ro</p> |
| <p>Operatorul de piață dezvăluie informații despre proiecte/mediu înconjurător/ social către stakeholderi (ex. pe website, în ziaruri locale, discuții cu emitenții sau investitorii pe aspecte de mediu înconjurător și cel social etc)? / Does the Stock exchange disclose project / environmental/social information to stakeholders (eg via web site, local newspapers, dialogue with issuing companies or investors on environmental and social matters, etc)?</p> | <input checked="" type="checkbox"/> Da (prin secțiunea CSR de pe website, discuții cu stakeholderii pieței de capital) / Yes (via web site on CSR section, via dialog with capital market stakeholders) <input type="checkbox"/> Nu / No |

Secțiunea 2: Conformarea cu prevederile BERD PR2 Munca și condițiile de muncă /

Section 2: Compliance with EBRD's PR2 Labour and Working Conditions

2.1 Care este numele angajatului având în principal responsabilități generale de managementul resurselor umane din cadrul operatorului de piață? /

2.1 What is the name of the employee with primary overall responsibility for Human Resource Management in the Stock exchange?

Nume / Name: Tatiana Simulescu

Titlu / Title: HR Director

Telefon/Mobil / Phone/Mobile: +40 21 307 95 00

E-mail: tatiana.simulescu@bvb.ro

2.2 Managementul Resurselor Umane / Human Resources Management

2.2.1 Au suferit vreo schimbare, în cursul perioadei de raportare, următoarele politici sau termene și condiții / Have there been any changes to the following policies or terms and conditions during the reporting period:

- Tratament nediscriminatoriu și sanse egale / Non-discrimination and equal opportunity policy
- Angajarea de persoane sub 18 ani / Employment of young persons under age 18
- Salarii (nivel, timp de lucru normal și ore suplimentare) / Wages (wage level, normal and overtime)
- Ore suplimentare / Overtime
- Programul de lucru / Working hours
- Mecanismul de realizare a reclamațiilor de către angajați / Grievance mechanism for workers
- Dreptul de a constitui și adera la un sindicat sau de negociere colectivă / Union recognition or negotiation
- Sănătatea și siguranța la locul de muncă / Health & safety

Da / Yes
 Nu / No

Daca da, vă rugăm să oferiți detalii/ If yes, please give details:

2.2.2 Compania are politici și/sau proceduri pentru oricare dintre următoarele / Does the company have policies and/or procedures for any of the following:

- Egalitate de gen / Gender equality
- Recompensă egală pentru munca egală / Equal pay for work of equal value
- Împotriva hărțuirii și intimidării / Anti-harassment/bullying
- Promovarea echilibrului intre munca si viata personala/ Promoting family friendly work and the work/life balance

Da / Yes
 Nu / No

Dacă da, vă rugam să dați detalii / If yes, please give details:

BVB nu are o politică sau procedură integrată în privința mediului înconjurător și cel social sau politici și proceduri individuale pentru fiecare din cele 4 subiecte menționate, dar toate aspectele relevante pentru aceste 4 subiecte se regăsesc în diferite documente corporative interne. /
BVB does not have an integrated ESG Policy or Procedure, or an individual Policy or Procedure for each of the 4 topics mentioned, but all the aspects relevant for these 4 topics are present in various internal corporate documents.

| | | |
|--|--|---|
| 2.2.3 A avut loc vreo conchediere colectivă în perioada de raportare? / Were there any collective redundancies during the reporting period? | <input type="checkbox"/> Da / Yes <input checked="" type="checkbox"/> Nu / No | Dacă da, vă rugăm să descrieți planul de conchediere colectivă, inclusiv motivele conchedierilor, numărul angajaților afectați, modul de selecție a acestora și consultările avute. / <i>If yes, please describe the redundancy plan, including reasons for redundancies, number of workers involved, how they were selected, and consultation undertaken.</i> |
| 2.2.4 Există un plan de conchedieri sau de suplimentare a forței de muncă pentru anul următor? / Are there any planned redundancies or additions to the workforce in the next year? | <input type="checkbox"/> Da / Yes <input checked="" type="checkbox"/> Nu / No | Dacă da, vă rugăm să descrieți planul de conchedieri, inclusiv motivele conchedierilor, numărul de angajați afectați și procesul de selecție și consultare. / <i>If yes, please describe the redundancy plan, including reasons for redundancies, number of workers involved, and selection and consultation process.</i> |
| 2.2.5 Au făcut angajații vreo reclamație în cadrul operatorului de piață în perioada de raportare? / Have employees raised any grievances with the stock exchange during the reporting period? | <input type="checkbox"/> Da / Yes <input checked="" type="checkbox"/> Nu / No | Dacă da, vă rugăm să specificați numărul reclamațiilor, sumarul aspectelor semnalate în reclamații (diferențiate pe gen) și să explicați cum au fost tratate de operatorul de piață. / <i>If yes, please state how many, summarise the issues raised in grievances (disaggregated by gender) and explain how the Stock exchange has addressed them.</i> |
| 2.2.6 Au existat greve sau dispute colective referitoare la muncă și condițiile de muncă în cadrul operatorului de piață în perioada de raportare? / Have there been any strikes or other collective disputes related to labour and working conditions at the Stock exchange in the reporting period? | <input type="checkbox"/> Da / Yes <input checked="" type="checkbox"/> Nu / No | Dacă da, vă rugăm să sumarați natura disputelor și modul în care au fost acestea rezolvate. / <i>If yes, please summarise nature of disputes and how they were resolved.</i> |
| 2.2.7 Au existat litigii de muncă în perioada de raportare? / Have there been any court cases related to labour issues during the reporting period? | <input type="checkbox"/> Da / Yes <input checked="" type="checkbox"/> Nu / No | Dacă da, vă rugăm să sumarați aspectele contestate și rezultatele. / <i>If yes, please summarise the issues contested and outcome.</i> |

Abrevieri/ Abbreviations:

ADB – Asian Development Bank

EBRD – European Bank for Reconstruction and Development

EIB – European Investment Bank

FMO – Netherlands Development Finance Company

IFC – International Finance Corporation

IFI – International Finance Stock exchange

KFW/DEG – KFW Banking Group Germany Development Corporation

MDB – Multilateral Development Bank

Statement

The statement herein concerns the extent to which the financial report of Bursa de Valori Bucuresti SA, prepared on 31 December 2015, contains an accurate presentation of all significant matters related to the financial position of Bursa de Valori Bucuresti SA as of 31 December 2015, and of the results of its operations concluded on this date according to the accounting standards required by Romanian legal framework, namely the Accounting Law no. 82/1991, republished, and the Rule of the Financial Supervisory Authority no. 39/2015, for the approval of accounting regulations compliant with the International Financial Reporting Standards, applicable to entities regulated, authorized and/or supervised by the ASF, from the Financial Instruments and Investments Sector.

We undertake responsibility for the accurate presentation of the financial reports according to the above mentioned lawful regulations. We confirm with full knowledge of the facts that the half-yearly financial and accounting report was drawn up according to the Accounting Regulations in compliance with the International Financial Reporting Standards, the accountancy policies used observing the same and providing an accurate and true to reality image of the assets, liabilities, financial position, profit and loss account and that the report of the Board of Governors includes an accurate analysis of the company development and performance, as well as a description of the main risks and uncertainties specific to the activity carried out.

President,
Lucian Claudiu Anghel

General Manager,
Ludwik Leszek Sobolewski

Financial Manager,
Virgil Adrian Stroia

Contact us

Investor Relations contact information

Tel: (+40)(21) 307 95 00

Fax: : (+40)(21) 307 95 19

Email: ir@bvb.ro

Financial reports availability

Financial reports are available in our Investor Relations section on our corporate website at this [link](#)

Earnings conference calls

Permanent replays of our recorded earnings conference calls and the related presentations are available [here](#)

Presentation slides and sound will be streamed live over the web [here](#)

Upcoming corporate events

26/27 Apr 2016

General Meeting of the Shareholders

26/27 Apr 2016

Release of the 2015 Annual Report

12 May 2016

Release of the Quarterly report for the 1st Quarter of 2016 & conference call

11 Aug 2016

Release of the Half-yearly report for the 1st Half of 2016 & conference call

10 Nov 2016

Release of the Quarterly report for the 3rd Quarter of 2016 & conference call

Find out more about the Bucharest Stock Exchange



Corporate website www.bvb.ro

Follow us on

Call Center 'Bursa e Pentru Oameni': 0372 409 846

Tuesdays and Thursdays, between 3pm and 4pm



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