

COMPLY OR EXPLAIN STATEMENT

Principle/ Recommendation	Question	YES	NO	IF NOT, please explain
0	1	2	3	4
P19	Is the Issuer managed under a dualist system?		✓	According to the Articles of Incorporation, the company is managed under a one-tier system, governed by a Board of Directors. According to Art. 113, letter m), Law 31/1990 as subsequently amended and supplemented, and to Art. 12 paragraph (5), letter p), the Articles of Incorporation may be amended by the General Meeting of Shareholders.
P1	R1	Has the Issuer drawn up the By-laws/Corporate Governance Rules to describe the main aspects of corporate governance?		<p style="text-align: center;">✓</p> <p>The company's shares have been admitted to trading at the end of 2013, namely November 12, 2013, at that time the Company did not have the approved Corporate Governance Rules.</p>
		The By-laws/Corporate Governance Rules are posted on the company's website, indicating the date of the last update?		<p style="text-align: center;">✓</p> <p>See R1.</p>
	R2	Are there in the By-laws/Corporate Governance Rules definitions of corporate governance structures, positions, competencies and responsibilities of the Board of Directors and of the executive management?		<p style="text-align: center;">✓</p> <p>See R1.</p>
	R3	Does the Issuer's Annual Report provide for a chapter on corporate governance describing all relevant events related to corporate governance recorded during the previous financial year?		<p style="text-align: center;">✓</p>
		Does the Issuer post on the company website the information regarding following aspects on its corporate governance policy:		
		a) a description of its corporate governance structures?		<p style="text-align: center;">✓</p>



		b) the updated articles of incorporation?	✓	
		c) the terms of reference for each advisory committee?	✓	
		d) the "Comply or Explain" statement?	✓	
		e) the list with the Board members mentioning the independent and/or non-executive members, the members of the executive management and the members of the advisory committees?	✓	
		f) a brief description of the CV for each Board member and each member of the executive management?	✓	
P2		Does the Issuer abide by the rights of financial instrument holders, providing them with equal treatment and submitting to approval any modification of the rights in the special meetings of such holders?	✓	
P3	R4	Does the Issuer publish on the website details of the General Meeting of Shareholders (GMS)?		
		a) GMS convening notice?	✓	
		b) materials/documents related to the agenda as well as any information on the agenda?	✓	
		c) special power of attorney?	✓	
	R6	Has the Issuer prepared and proposed to the GMS procedures for a proper and efficient performance of GMS meetings without any damage to the right of any shareholder to express its free opinion on the debated topics?	✓	See R1.
	R8	Does the Issuer publish on its website details of the shareholders' rights as well as rules and procedures for attendance at the GMS?		
		a) on the resolutions made within the GMS?	✓	
		b) on the detailed result of the vote?	✓	
		Do the Issuers publish in a special section of the website, that is easy identifiable and accessible:		
		a) current reports/announcements?	✓	
		b) the financial calendar, annual, half year and quarter reports?	✓	
	R9	Is there within the company a special department/person dedicated to investor relations?	✓	
P4, P5	R10	Does the Board of Directors meet at least once every quarter in order to monitor the Issuer's activity?	✓	

R12	Does the Issuer have a set of rules referring to the reporting conduct and obligations of transactions with shares or other financial instruments issued by the company (company's securities) made on own account by directors or by related parties?	✓	The Company proposed to prepare such set of rules during 2014.
	If a Board member or a member of the executive management or any other related party carries out on its own a transaction with the company's shares, is such transaction shared on its website, according to the applicable Rules?	✓	The members of the executive management and the related parties have been informed in writing on their obligations as " <i>initiated persons</i> " including the obligation to disclose to the intermediary (SSIF) that he/she " <i>acts as initiated person</i> " with respect to a certain securities Issuer - according to Article 150 paragraph (4) CNVM Rules no.1/2006. The information is shared on BVB website by the SSIFs that have concluded intermediation contracts with the initiated persons.
P6	Does the organization of the Issuer's Board provide a balance between executive and non-executive members (and especially non-executive independent directors) so that no person or group of persons may dominate the decision-making process of the Board?	✓	
P7	Does the organization of the Board of Directors provide a sufficient number of independent members?	✓	
P8	R15	Does the Board of Directors have the support of advisory committees for analysing and providing advice on specific subjects chosen by the Board?	✓
		Do the advisory committees forward activity reports to the Board of Directors on their specific subjects?	✓
	R16	Does the Board of Directors use the evaluation criteria listed in	✓



	Recommendation 16 for the independence assessment of its non-executive members?		
R17	Do the Board members permanently improve their knowledge through training/formation in corporate governance?	✓	
P9	Are the Board members selected subject to a transparent procedure (objective criteria regarding the personal/professional qualification etc.)?	✓	
P10	Does the Company have a Nomination Committee?	✓	
P11	R21 Does the Board of Directors review at least once a year the need to set up a Remuneration/Remuneration Policy Committee for the directors and for the members of the executive management?	✓	
	Is the remuneration policy approved by the GMS?	✓	<p>The competence related to setting the remuneration lies within different bodies, as follows:</p> <ul style="list-style-type: none"> (1) the Ordinary General Meeting of Shareholders, the company's shareholders set the remuneration of the directors, in compliance with Art.12, paragraph (4) letter d) of the Articles of Incorporation; (2) the Board of Directors sets the remuneration of the executive directors and of the director general; (3) the director general sets the remuneration of the company's employees.

	R22	Does the Remuneration Committee consist exclusively of non-executive directors?	✓	
	R24	Is the company remuneration policy provided in the Articles of Incorporation/Corporate Governance Rules?	✓	See R1 and R21.
P12, P13	R25	Does the Issuer supply information, in English language, which are provided by the reporting requirements as:		
		a) periodical information supply?	✓	
		b) continuous information supply?	✓	
		Does the Issuer prepare and provide financial reporting according to IFRS as well?	✓	According to the legal provisions in force the Company prepares and provides financial reporting only in accordance with IFRS.
	R26	Does the Issuer facilitates, at least once a year, meetings with financial analysts, brokers, rating agents and other market specialists, with the view of presenting financial elements that are relevant for making investment decisions?	✓	
	R27	Is there an Audit Committee within the Company?	✓	
	R28	Does the Board of Directors or the Audit Committee, as the case may be, investigates on a regular basis the efficiency of the financial reporting, internal control and risk management system as adopted by the Company?	✓	
	R29	Does the Audit Committee comprise strictly non-executive directors and is there a sufficient number of independent directors?	✓	
	R30	Does the Audit Committee meet at least twice a year; are these meetings dedicated to drafting and providing to the shareholders and to the public the half-year and annual results?	✓	
	R32	Does the Audit Committee make recommendations on the selection, appointment, re-appointment and replacement of the financial auditor, as well as on their remuneration terms and conditions?	✓	
P14		Has the Board of Directors adopted a procedure with the view of identifying and proper settlement of the conflicts of interest?	✓	Because the conflicts of interest are very well regulated by the relevant law, every employee, and moreover the employees in



				management positions, the director general and the directors have to be aware of and to avoid such circumstances, therefore the Company did not adopt a procedure in this respect.
P15	R33	Do the directors inform the Board of Directors on the conflicts of interest as they occur and do they refrain from the debates and the vote on those matters, according to the legal provisions?	✓	
P16	R34/ R35	Has the Board of Directors adopted the specific procedures in order to secure fair procedures (criteria for identifying material transactions, transparency criteria, objectivity criteria, non-competition criteria etc.) for the scope of identifying related parties transactions?	✓	See R1. The Company proposed the adoption of a procedure in this respect.
P17	R36	Has the Board of Directors adopted a procedure on the internal flow and disclosure to third parties of information related to the Issuer, with an emphasis on information that can influence the price of the securities issued by them?	✓	See R12, paragraph 2 and P14.
P18	R37/ R38	Does the Issuer perform activities related to Company Social and Environment Responsibility?	✓	