

BVB DIVIDEND POLICY

Version 1. December 23, 2015

1. Introduction

The Bucharest Stock Exchange (“BVB” or “The Company”) is committed to offer to its shareholders an opportunity to achieve a return on the money invested aligned with the valuation of the company and the regular earnings of the company. Over the past years, BVB remained committed to return capital to its shareholders through a sustainable dividend policy and has paid out its entire net profit after legal reserves, as regular cash dividends.

This dividend policy represents the current intention of the Board of Governors and may be revised in the future. In addition, the dividend payment in any given year is subject to specific dividend proposals made by BVB Board of Governors, which may choose to deviate from this dividend policy if appropriate under the then prevailing circumstances, as well as to the decision of the annual general shareholders’ meeting.

Dividend proposals will reflect considerations including expected future capital requirements, growth opportunities available to BVB Group, the net earnings of The Company, and regulatory approvals as appropriate.

Changes in the trading fee policy, along with changes in financial indicators in the future financial years, may make it necessary to revise the policy.

In addition to the regular dividend payment, the dividend policy may also allow shareholders to participate in a particularly positive performance by the BVB by means of a special dividend or share buy-back.

2. Payout

The annual net profit of BVB, as established in the individual financial statements (statutory financial statements: according to Romanian Accounting Standards until 2014, IFRS EU financial statements starting with 2015), is allocated to legal reserves and retained earnings, as per BVB Board of Governors proposals and until the shareholders general meeting resolution, in accordance with the provisions of the Companies Law no. 31/1990.

BVB Board of Governors’ proposal with regard to dividend distribution is approved by the shareholders in the general meeting. Over the past 5 financial years, BVB has paid cash dividends as proposed by BVB Board of Governors and the payout ratio has averaged 95%. BVB intends to maintain the payout ratio at similar levels in the future.

3. Payment process

Apart from the destination of the retained profit and the gross amount of dividends to be paid, the general meeting of the shareholders also approves the following:

- the registration date and corresponding ex-date which identifies the shareholders entitled to dividends;
- the payment dateⁱ, when the payment process begins.

ⁱ Starting with the GSM held on 27-28 April 2015

Starting with 2015, the distribution of dividends is done using the services of the Central Depository, according to the procedure published on BVB's website prior to start of the dividend payment process.

The dividend per share represents a gross amount which is subject to Romanian withholding tax, with the exceptions provided by the legal framework.