

BVB POLICY FOR RELATED PARTY TRANSACTIONS

Version1, December 23, 2015

1. Objective

According to the requirements of the Bucharest Stock Exchange Corporate Governance Code, Section B, Bursa de Valori Bucuresti S.A. (“BVB” or “Company”) as listed entity, has adopted the policy herein for related party transactions.

The Company will ensure that all related party transactions are considered on their merits in a manner that ensures independence and the protection of the interests of the Company, compliant with the restrictions set out in related legislation and fairly disclosed to shareholders and potential investors. The definition of related parties follows that of International Accounting Standard 24.

2. Definitions

A related party transaction is essentially a transaction that yields a financial benefit to a related party. Financial benefits can arise through various transactions such as investments, provision of credit, asset purchases, or service contracts. A related party is a person or entity that, by virtue of its position, authority, ownership, or relationship, has scope for direct or indirect influence on the company’s decision making.

► *Definitions for related parties and related party transactions:* Related parties, which align with the International Accounting Standard 24, appropriately cover:

- (i) Directors;
- (ii) Senior management that:
 - report to BVB Board of Governors or the CEO;
 - have significant authority to approve transactions.
- (iii) Related corporations (e.g. parent companies, holding companies of parent company, subsidiaries etc.);
- (iv) Substantial shareholders (over 5% ownership threshold); and
- (v) Family members of persons stated at (i), (ii) and (iv), up to the 3rd degree (1st degree: spouse, sibling, parents, children; 2nd degree: cousins, in-laws, uncles, aunties, nephews, nieces; 3rd degree: grandparents, grandchildren).

3. Procedures

3.1 Notification of related party transactions

The Company will maintain a register of all related parties and their interests. This register is updated at least once a year and as soon as new information arises. Directors and senior management would be required to make prompt declarations to the Company when they themselves or their family members have material interest in a transaction with the Company.

The Company will set materiality thresholds above which transactions with related parties require prior opinions from the Audit Committee, the BVB Board of Governors, and the shareholders.

Related parties with an interest in the transaction under consideration do not participate in any discussions, deliberations, or decision-making on the transaction other than to provide necessary information directly requested to facilitate a decision.

Where appropriate an independent external advice to facilitate the review of related-party transactions may be requested. Such advice may, for example, be connected to the evaluation of the interest of the related party in the transaction or the market valuation of assets involved in the transaction. The BVB Board of Governors should be informed by the Audit Committee about related-party transactions over 1% net assets (as stated in the latest financial report). Upon decision of the Board, the related-party transactions should be fairly disclosed to the shareholders and to potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.

The related party transactions policy will be made publicly available on the BVB website www.bvb.ro, in the *Investor Relations* section.

The Audit Committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties and submit a report to the Board regarding such transactions.

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. The Audit Committee should review conflicts of interests in transactions of the shareholder with related parties and submit a report to the Board regarding such transactions.

3.2 Review of related party transactions

A. Audit Committee

A.1. All transactions which are identified by the Board or by the Audit Committee itself as related party transactions should be subject to an analysis of the Audit Committee. The Audit Committee shall consider all relevant factors while analyzing the related party transactions.

A.2. Any member of the Committee who has a potential interest in any related party transaction will abstain from participating in the Committee discussions on the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require an opinion of the Audit Committee to be sent to the BVB Board of Governors.

A.3. The Audit Committee may grant omnibus opinions for approval for related party transactions which are repetitive in nature and subject to such criteria/conditions and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus opinions for approval shall be valid for a period not exceeding one year and shall require renewal after the expiry of one year.

A.4. Audit Committee shall review, on a quarterly basis, the details of related party transactions

entered into by the Company pursuant to the omnibus opinions for approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

A.5. A related party transaction entered into by the Company, which is not under the omnibus opinion for approval or on which the Committee didn't issue an opinion prior to the transaction, is subject to ulterior Committee opinion.

B. BVB Board of Governors

3.B.1. In case any related party transaction is referred by the Company to the BVB Board of Governors for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price and the Company decides to put it up for the BVB Board of Governors for its approval, the BVB Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, BVB Board of Governors may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will abstain from the debates and on the vote on the approval of the related party transaction.

C. Shareholders

3.C.1. If a related party transaction is (i) a material transaction as per BVB Constitutive Act and subject to a general meeting of shareholders decision, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the relevant laws and regulations, it shall require shareholders' approval by a special resolution. In such case, related party, shall not vote on resolution passed for approving such related party transaction.