



BUCHAREST STOCK EXCHANGE

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PRESS RELEASE

BVB and EBRD launch a joint project on corporate governance in Romania

Bucharest Stock Exchange (BVB) informs that, within the meeting of December 21, 2012, the Board of Governors approved the launch of a joint BVB-EBRD project on corporate governance in Romania. The objective of the project is to enhance key corporate governance practices of listed companies and their disclosure in Romania, by improving the recommendations of the BVB Corporate Governance Code (CG Code), and to strengthen its monitoring and implementation.

The project is expected to start in the first/second quarter of 2013 and has an estimated overall duration of 24 months. The direct cost of the project, approximated at EUR 296 k will be supported by EBRD and cofinanced by BVB.

In 2008, the Bucharest Stock Exchange drafted a Corporate Governance Code applicable to companies listed on the BVB. It includes a set of voluntary recommendations to be applied pursuant to the “comply or explain” mechanism. Companies listed on Tier 1 are required to comply with at least 14 recommendations while all companies must publish a Corporate Governance Compliance Statement on a yearly basis, indicating which recommendations of the CG Code have in practice been complied with, providing explanations in case of non-compliance.

For the 2011 financial year, Romanian listed companies were for the first time required to report their compliance with the CG Code. The novelty brought about some improvements, but the disclosure offered by the majority of companies is still inadequate.

BVB is keen to improve the Romanian corporate governance environment and has approached the Legal Transition Team (LTT) of the European Bank for Reconstruction and Development (the EBRD, or the Bank) to assist in its initiative to strengthen the implementation of the CG Code; enhance the BVB monitoring; and revise the CG Code in order to align it with international standards and best practices. BVB also wishes to create a BVB Corporate Governance Index, in an effort to highlight those companies which demonstrate high corporate governance standards and stimulate other listed companies to improve their practices (the Assignment).

BVB has founded the Corporate Governance Institute (BVB-CGI), which is a training centre for listed companies, whose aim is to raise Romania’s managerial culture to EU standards and to encourage companies to comply with sound corporate governance principles. Both the BVB and the BVB-CGI will be engaged in the implementation of the Project and in the promotion of adequate corporate governance standards to Romanian listed companies.

As a following step, EBRD will engage a consulting company (the Consultant) to carry out the Assignment.

The Consultant will provide the following services:

- a. Review the corporate governance practices of listed companies – including the compliance statements and the BVB monitoring procedures; compare the corporate governance practices in Romania with those of peer countries; develop proposals appropriate for Romania, enhancing corporate governance practices, disclosure and monitoring of compliance with the CGC Code.
- b. Develop a methodology for the BVB for (i) assessing corporate governance practices of listed companies, (ii) monitoring reporting practices and reviewing the quality of the compliance statements and (iii) processing the information disclosed by listed companies in publishable reports. Assist the BVB in adopting and implementing the methodology.
- c. Review the CG Code and the Romanian corporate governance framework to ensure there are no conflicting principles and propose improvements and to align it with international standards and best practices.
- d. Create a BVB Corporate Governance Index and a methodology for inclusion of companies in the Index.
- e. Develop and implement training programmes (approximately 5 sessions) for the BVB and listed companies to ensure an effective implementation of the methodology.

For details on how you can become a Consultant, please see the procurement notice on EBRD website at the below link.

<http://www.ebrd.com/pages/workingwithus/procurement/notices/csu/38456.shtml>

For more information, please contact us at email communication@bvb.ro.

MARKETING AND INTERNATIONAL ALLIANCES DEPARTMENT