

Declaration "Apply or Explain" – April 2015
Corporate Governance Code of BVB

TURBOMECANICA S.A.
REGISTRATURA
IESIRE Nr. 2030
20/5 Luna 05 Ziua 07

Principle/ Recommendation		Question	YES	NO	If No, then EXPLAIN
P19		Is the Originator administered in two tier system?		No	SC TURBOMECANICA SA adopted a unitary administration system which corresponds to the current needs of the company regarding the good administration and management of activity. By observance of principles regarding the clear separation of responsibilities between the Board of Directors and the executive management, the avoidance of involving the Board of Directors in the day-to-day management of the company, the existence of a majority number of non-executive directors, the management system of SC TURBOMECANICA SA is in full accordance with the corporate governance objectives assuring the transparency of information, the protection of shareholders' interests and the interests of other categories of stakeholders and an efficient operation of the Company.
P1	R1	Did the Originator draw up Corporate Governance Statutes/Regulations which describe the main corporate governance issues?	Yes		In this respect in both the Articles of Association and the Internal Regulations the rules of organization, operation and the competences of the Board of Directors are established. The Deontology Regulations transpose at internal level the Corporate Governance Rules specific to prevention of the conflict of interests.
		Are the Corporate Governance Statutes/Regulations posted on the company website, with indication of the last update date?	Yes		The Corporate Governance Regulations and relevant information specific to corporate governance of SC TURBOMECANICA SA were displayed on the company website and through the Annual Report and Articles of Association.
	R2	Are the corporate governance structures, the positions, competences and responsibilities of the Board of Directors (BD) and executive management defined in the Corporate Governance Statutes/Regulations?		No	The Corporate Governance Regulations, the Articles of Association and the Annual Report contain information regarding the Corporate Governance structures, their organization, composition and competences.
	R3	Does the Annual Report of the Originator provide a chapter dedicated to corporate governance in which all the relevant events related to corporate governance and recorded in the previous fiscal year are described?	Yes		
		Does the Originator disseminate on the company	Yes		

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		website information on the following issues regarding its corporate governance policy:			
		a) A description of its corporate governance structures?			
		b) The updated articles of association?	Yes		
		c) The Internal Regulations of Operation/its essential issues for each specialized commission/ committee?		No	Since 2011, the Annual Report and the Articles of Association, published on the website of SC TURBOMECANICA SA contain relevant information regarding the organization/operation and competences of important committees from the company.
		d) The Declaration "Apply or Explain"?	Yes		
		e) The list of Board of Directors' members with mentioning of members who are independent and/or non-executive, the members of executive management and specialized commissions/committees?	Yes		
		f) A short version of CV for each member of the Board of Directors and executive management board?	Yes		
P2		Does the Originator observe the rights of holders of financial instruments issued by him, thus assuring them a fair treatment and submitting to approval any change of granted rights in the special meetings of those holders?	Yes		
P3	R4	Does the Originator publish a dedicated section of own website details regarding the carrying out of the General Meeting of Shareholders (AGA):	Yes		
		a) the summons of AGA?			
		b) materials/documents of the agenda and any other information on the subjects of agenda?	Yes		
		c) special power of attorney forms?	Yes		
	R6	Did the Originator elaborate and propose the	Yes		

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		General Meeting of Shareholders procedures for the orderly and efficient carrying out of AGA works, without bringing prejudice to the right of any shareholder to freely express his opinion on the matters on debate?			
	R8	Does the Originator disseminate the rights of shareholders and the rules and procedures of participation in the General Meeting of Shareholders in a dedicated section of the own website?	Yes		
		Does the Originator assure the information in due course (right after the carrying out of AGA) of all the shareholders through the dedicated section of own website: a) Regarding the decisions made in the General Meeting of Shareholders?	Yes		
		b) regarding the detailed result of the vote?	Yes		
		Do the Originators disseminate through a special section of own website easily identified and accessible: a) Current reports/communications?	Yes		
		b) financial calendar, annual, semestrial and quarterly reports?	Yes		
	R9	Is there in the Originator's company a department with specialized persons dedicated to the relationship with the investors?	Yes		
P4, P5	R10	Does the Board of Directors meet at least once a quarter for monitoring the activity of the Originator?	Yes		
	R12	Does the Originator hold a set of rules regarding the behaviour and obligations of reporting the transactions with the shares or other financial instruments issued by the company ("personal property of the company") made in own account by the directors and other natural persons involved?	Yes		
		If a member of the Board of Directors or executive management board or another stakeholder makes a transaction in own name with the securities of the company, is the transaction disseminated through own website,		No	The members of the Board of Directors are obliged to declare to BVB and National Securities Commission the transactions (purchases or sales) which they make with the shares of SC TURBOMECANICA SA and thus the information

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		according to the appropriate Rules?			becomes public.
P6		Does the Structure of the Originator's Board of Directors assure a balance between the executive members and the non-executive members (and especially the non-executive independent directors) so that no person or limited group of persons can dominate in general the decision-making process of the Board of Directors?	Yes		
P7		Does the Structure of the Originator's Board of Directors assure a sufficient number of independent members?	Yes		
P8	R15	In its activity does the Board of Directors have the support of consultative committees/commissions for the examination of specific themes chosen by the Board of Directors and for its counseling regarding these themes?	Yes		
		Do the consultative commissions/committees present activity reports to the Board of Directors regarding the themes entrusted by the Board?	Yes		
	R16	For the evaluation of independence of its non-executive members, does the Board of Directors use the evaluation criteria stated in Recommendation 16?	Yes		The non-executive independent directors of SC TURBOMECANICA SA correspond to the evaluation criteria provided in Law no. 31
	R17	Do the Members of the Board of Directors permanently improve their knowledge by training in the field of corporate governance?	Yes		
P9		Is the selection of members of Board of Directors based on a transparent procedure (objective criteria regarding personal/professional qualification etc.)?	Yes		
P10		Is there a Nomination Committee in the company?	Yes		
P11	R21	Does the Board of Directors analyse at least once a year the need of founding a remuneration Committee/remuneration policy for the directors and members of executive management board?	Yes		The Board of Directors founded a Remuneration Committee. The Remuneration Committee meets once a year, when the remuneration policy is analysed.
		Is the remuneration policy approved by the General Meeting of Shareholders?	Yes		
	R22	Is there a Remuneration Committee composed exclusively of non-executive directors?	Yes		

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	R24	Is the remuneration policy of the company presented in the Corporate Governance Statutes/Regulations?		No	The remuneration policy is formalized by a distinctive document, respectively an administration agreement approved by the General Meeting of Shareholders.
P12, P13	R25	Does the Originator disseminate in English the information which represents the subject of reporting requirements: a) Regular information (regular provision of information)?	Yes		
		b) continuous information (continuous provision of information)?	Yes		
		Does the Originator prepare and disseminate the financial reports in compliance with International Financial Reporting Standards?	Yes		
	R26	Does the Originator promote at least once a year meetings with financial analysts, brokers, rating agencies and other market experts for the presentation of financial elements relevant for the investment decision?	Yes		
	R27	Is there an Audit Committee in the company?	Yes		
	R28	Does the Board of Directors or the Audit Committee, as applicable, regularly examine the efficiency of financial reporting, internal control and risk management system adopted by the company?	Yes		
	R29	Is the Audit Committee exclusively composed of non-executive directors and does it have a sufficient number of independent directors?	Yes		
	R30	Does the Audit Committee meet at least twice a year, and are these meetings dedicated to the drawing up and dissemination of the semestrial and annual results to shareholders and the public?	Yes		Since 2011, the Audit Committee has scheduled two meetings dedicated to the evaluation of financial results.
	R32	Does the Audit Committee make recommendations to the Board of Directors regarding the selection, appointment, re-appointment and replacement of financial auditor and the terms and conditions of his remuneration?	Yes		Starting from the reporting of financial results for the year 2010, the Audit Committee makes recommendations to the Board of Directors regarding the financial auditor.
P14		Did the Board of Directors adopt a procedure for the purpose of identifying and for the adequate	Yes		

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		resolution of conflicts of interests?			
P15	R33	Do the directors inform the Board of Directors on the conflicts of interests as they appear and abstain from the debates and vote on those matters in accordance with the legal incidental provisions?	Yes		
P16	R34/ R35	Did the Board of Directors adopt specific procedures for the assurance of procedural accuracy (identification criteria of transactions with significant impact, transparency, objectivity, non-competition etc.) for the identification of transactions with stakeholders?	Yes		The internal regulatory framework specific to financial reports, the risk management policies assures the conditions of identification of transactions with the stakeholders.
P17	R36	Did the Board of Directors adopt a procedure regarding the internal circuit and disclosure to third parties of the documents and information regarding the Originator, by giving a special importance to the information which can influence the evolution of market price of securities issued by him?	Yes		The Internal Regulations of the company establish rules and obligations regarding the circuit of information which can influence the evolution of market price of company's shares
P18	R37/ R38	Emitentul desfasoara activitati privind Responsabilitatea Sociala si de Mediu a Companiei?	Yes		

PRESIDENT-GENERAL DIRECTOR
 ENG
 VIEHMANN RADU



ECONOMIC COMMERCIAL MANAGER
 EC.
 ANGHEL CLAUDIA