

VI. Corporate Governance

Statement on alignment with BVB's Corporate Governance principles for the multilateral trading system, AeRO market.

CODE	PROVISION	FULLY RESPECTS	PARTIALLY RESPECTS	THE FULLFILLMENT OF THE PROVISION BY THE ISSUER
SECTION A – RESPONSIBILITIES OF THE BOARD OF DIRECTORS				
A1.	The company should have an internal regulation of the Board which includes terms of reference for the Board and the key management functions of the company. The conflict of interests at the Board level should also be presented in the Board's regulation. The Regulation will define a clear policy on delegation of powers, which will include a formal list of issues reserved for the board's decision and a clear separation of responsibilities between the board and executive management.		√	As the company has floated on the AeRO market in March 2020, it did not have in the course of 2019 internal regulation of the board as specified by the CG Rules of the Bucharest Stock Exchange. At the time of preparing this report, the issuer has such internal regulation drafted, but not yet approved, as the company is awaiting the approval of the GSM of the 3 rd Board Member in order to approve the new internal regulation by unanimous vote of the whole Board.
A2.	A Board member's other professional commitments, including executive and non-executive Board positions in companies (excluding the company's subsidiaries) and non-profit institutions, should be disclosed to the Board before appointment and during his/her mandate.	√		The issuer fully complies with this provision. All the professional engagements of the board members can also be found in the annual report of the company.
A3.	Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly shares representing not less than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	√		The Board Members have submitted to the Board information about their independence and relationship with any of shareholders representing more than 5% of the votes.
A4.	The annual report should inform on whether an evaluation of the Board has taken place under the leadership of the President. It should also include the number of the meetings of the Board.	√		The evaluation of the Board under the leadership of the President of the Board has not taken place for year 2019. Starting from 2020, such evaluation will take place.
SECTION B – RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM				
B1.	The Board should adopt a policy ensuring that any transaction of the company with any of its subsidiaries that is equal to or more than 5% of the net assets of the company as stated in the latest financial report should be approved by the Board.		√	The company is in the process of adopting such a policy and it will enter into force in 2020.

B2.	The internal audit should be carried out by a separate structural division (internal audit department) within the company or through retaining an independent third-party entity which should report to the Board, while within the company, it should report directly to the CEO.	√		The internal audit of Norofert is conducted by an independent third-party entity.
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SECTION C – FAIR REWARDS AND MOTIVATION

C1.	The company should publish in its annual report a remuneration report including the total revenues for the Board Members and the CEO for the past financial year and the total value of any bonus payments or other variable compensations and also the key assumptions and guidelines for calculating the above revenues.	√		Norofert includes in its annual report the information about the remuneration of the Board Members and the CEO for the past financial year.
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SECTION D – BUILDING VALUE THROUGH INVESTOR RELATIONS

D1.	The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	√		Norofert complies with all the rules relating to the IR function, as detailed below. The company has a dedicated IR section on the website, which is available in both English and Romanian languages.
D1.1	Principal corporate regulations: the articles of association, general shareholders' meeting procedures;	√		Norofert's key regulations can be found on issuers website.
D1.2	Professional CVs of the members of its governing bodies;	√		The CVs and bios of the governing bodies of the company can be found on Norofert's website as well as in its annual reports.
D1.3	Current reports and periodic reports;	√		All Norofert's current and periodic reports are available on the issuer's website.
D1.4	Information related to General Meetings of Shareholders: agenda and the materials sustaining the agenda of the meeting; the resolutions of the general meetings;	√		All the information related to Norofert's GMS is available on the issuer's website.
D1.5	Information on corporate events, such as payment of the dividends, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles of such operations;	√		If the case, such information will be published by the company on Norofert's website as well as through a current report sent to BVB.
D1.6	Other information of extraordinary nature, which should be publish such as: annulment / modification / beginning of collaboration with Authorized Advisor; signing / renewal /	√		If the case, such information will be published by the company on Norofert's website as well as through a current report sent to BVB.

	termination of the agreement with a market maker;			
D1.7	The company should have an investors relations function (IR), and will include on the IR section of the company's website the name and contact data of a person who should be able to provide knowledgeable information on request.	√		Contact to Norofert's IR function can be found on the company's website, under the "Investors" tab.
D2.	A company should adopt a dividend policy, as a set of directions related to the distribution of net profit that the company declares to follow. The dividend policy principles should be published on the company's website.	√		Norofert's dividend policy is available on the company's website, under the "Investors" tab.
D3.	A company should adopt a policy with respect to forecasts, whether it will publish them or not. Forecast means the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period („assumptions"). The policy should provide for the frequency, the period envisaged and content of forecasts. Forecasts, if published, may only be part of annual, half-yearly or quarterly reports. The forecast policy should be published on the corporate website.	√		Norofert's forecasting policy is available on the company's website, under the "Investors" tab.
D4.	The company should set the date and place of a General Meeting of Shareholders in a manner that enables the participation of the highest possible number of shareholders.	√		Norofert organizes and will continue to organize its GMS during workdays, at the company's main working point in Bucharest
D5.	The financial reports should include information in both Romanian and English as regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators.	√		Norofert issues all the information for investors, including financial reports, bilingually, in English and Romania.
D6.	The company should organize at least one meeting/conference call with analysts and investors each year. The information presented on these occasions should be published in the IR section of the website of the company at the time of the meeting/conference call.	√		Norofert will organize annually the „Norofert Investor Day" – an event to which all stakeholders, including investors, analysts and the media will be invited.