

DECLARATION OF CONFORMITY for the year 2014
according to the Corporate Governance Code of Bucharest Stock Exchange

Principle/ Recommendation	Question	YES	NO	If NO, then EXPLAIN	
P19	Is the issuer administered under a dualist system?		x	S.C. CONTED S.A. DOROHOI is administered under a unitary system according to the articles of incorporation, system specific to the Romanian trading companies.	
P1	R1	Did the Issuer elaborate a Corporate Governance Statute/Regulation that describes the main corporate governance aspects?	x		
		Is the corporate governance Statute/Regulation posted on the website of the company, along with the date of the last update?	x		
	R2	Does the corporate governance Statute/Regulation define the corporate governance structures, positions, competences and responsibilities of the Board of Directors (BOD) and of the executive staff?	x		
	R3	Does the Yearly Report of the Issuer provide a chapter dedicated to the corporate governance in which all the relevant events related to corporate governance are described and registered during the previous financial year?	x		
		Does the Issuer disclose on the website of the company the information related to the following aspects concerning its corporate governance policy: a) description of its corporate governance structures?	x		
		b) updated articles of incorporation?	x		
		c) internal rules of operation/ main aspects of these ones for every specialized commission/ committee ?	x		
		d) Declaration „Comply or Explain”?	x		
		e) list of the BOD members specifying the independent and/or non-executive members, the executive staff members and the specialized commissions/committees members?	x		
	f) a short variant of everyone’s CV for each member of BOD and of the executive staff?		x	Available information for the shareholders may be found within the Board of Directors report.	

P2		Does the Issuer observe the financial instruments holders rights issued by this one, offering them an equitable treatment and submitting for approval any modification of the granted rights, within the special assemblies of the respective holders?	x			
P3	R4	Does the Issuer publish in a dedicated section of its own website any detail regarding the deployment of the General Assembly of Shareholders (GAS): a) convener of GAS?	x			
		b) materials/documents afferent to the agenda, as well as any other information related to the agenda subjects?	x			
		c) special power of attorney forms?	x			
	R6	Dis the Issuer elaborate and proposed to GAS any procedures for the orderly and efficient conduct of the GAS works, but without prejudice to any shareholder entitled to freely express their opinion on the matters under discussion?	x			
	R8		Does the Issuer disclose in a dedicated section on its own website the shareholders' rights as well as the rules and procedures to participate at GAS?	x		
			Does the Issuer inform in due time (immediately after the GAS performance) all the shareholders by means of the dedicated section of its own website: a) regarding the GAS decisions?	x		
			b) regarding the detailed result of the voting session ?	x		
		Do the Issuers disclose by means of a special section of the own web page, easily identifiable and accessible: a) current reports/releases?	x			
		b) the financial calendar, yearly, biannual or trimestral reports?	x			
R9	Is there within the Issuer's company a specialized department/person dedicated to the relationship with investors?	x				
P4, P5	R10	Does the BOD meet at least once per trimester to monitor the Issuer's activity?	x			
	R12	Does the Issuer hold a set of rules regarding the behaviour and liabilities to report the transactions with shares or other financial instruments issued by the company ("company's securities") made on their account by administrators and other physical persons involved?	x			
		If a member of BOD or of the executive staff or another involved person performs a transaction with the company's securities on own account, is the transaction then disclosed on the own website,	x			

		according to the afferent Rules?			
P6		Does the Issuer's Board of Directors structure provide a balance between the executive and non-executive members (and especially the independent non-executive administrators) so that no person or small group of people could dominate, generally speaking, the decision making of BOD?	x		
P7		Does the Issuer's Board of Directors structure provide a sufficient number of independent members?	x		
P8	R15	Does the BOD, within its activity, have the support of some consultative committees/ commissions for the examination of some specific topics, chosen by the BOD, and for its counselling in relation with these topics?		x	There are no consultative committees/ commissions established, whereas according to art.140 ² from Low no. 31/1990R, the establishment of these committees is optional.
		Do the consultative committees/ commissions submit activity reports to the BOD regarding the topics assigned by the latter?		x	It is not necessary, whereas, at the company level, the activity reports are submitted to the BOD by the executive staff, internal auditor and the financial auditor.
	R16	Does the Board of Directors use the evaluation criteria mentioned in the Recommendation 16 for the independence evaluation of its non-executive members?	x		
	R17	Do the BOD members permanently improve their knowledge through training/ formation in the field of corporate governance?	x		
P9		Is the BOD members election based on a transparent procedure (objective criteria regarding the personal/professional qualification, etc.)?	x		
P10		Is there a Nomination Committee within the company?		x	The BOD members nomination is made by shareholders and BOD, according to the statutory provisions. Their election is made by GAS voting.
P11	R21	Does the Board of Directors examine at least once a year the need to establish a remuneration/policy remuneration Committee for the administrators and members of the executive staff remuneration?	x		
		Is the remuneration policy approved by GAS?	x		
	R22	Is there a Remuneration Committee made exclusively of non-executive administrators?		x	GAS approves the remuneration due to the administrators observing the incident legal provisions and the decision of the major shareholder. The BOD is

					responsible for the General Manager remuneration approval.
R24	Is the company's remuneration policy presented in the Corporate Governance Statute/Regulation?	x			
R25	Does the Issuer disclose in English the information representing the subject of the reporting requirements: a)periodical information (periodical provision of the information)?		x		The periodical reports are made in Romanian. The forms for the special power of attorney and the ballots are drafted in Romanian and in English.
	b) continuous information (continuous provision of information)?		x		The continuous information is drafted in Romanian.
	Does the Issuer elaborate and disclose the financial reporting also according to IFRS?	x			
R26	Does the Issuer promote, at least once a year, meetings with financial analysts, brokers, rating agencies and other market specialists, in order to present the financial elements relevant to the investment decision?		x		The relevant financial elements are presented in the periodical reports published on the company's site. In the financial reporting calendar, no meetings with analysts are mentioned.
R27	Is there an Audit Committee inside the company?		x		The yearly financial statements are audited by the financial audit Agency Afil S.R.L. Botoșani, represented by the financial auditor Luncă Irina, member of CAFR. The internal control is ensured by the Financial Audit Office of Merghidan Constantin Ovidiu, member of CAFR.
R28	Does the BOD or the Audit Committee, as the case may be, examine on a regular basis the efficiency of the financial report, internal control and the administration system of the risk adopted by the society?	x			
R29	Is the Audit Committee made exclusively of non-executive administrators and does it have a sufficient number of independent administrators?		x		There is no Audit Committee
R30	Does the Audit Committee meet at least twice a year, these meetings being dedicated to the drafting and disclosing of the biannual and yearly results towards the shareholders and the public?		x		There is no Audit Committee
R32	Does the Audit Committee make recommendations to BOD regarding the selection, nomination, re-		x		There is no Audit Committee

		nomination and replacement of the financial auditor, as well as the terms and conditions of his remuneration?			
P14		Did the BOD adopt a procedure with the purpose to identify and properly resolve the conflicts of interests?	x		
P15	R33	Do the administrators inform the BOD about the conflicts of interests as they appear and do they abstain from the debates and vote concerning the respective issues, according to the incident legal provisions?	x		
P16	R34/ R35	Did the BOD adopt specific procedures in order to ensure the procedural accuracy (criteria concerning the identification of the transactions with major impact, transparency, objectivity, non-competition, etc.) in order to identify the transactions with involved parties?	x		
P17	R36	Did the BOD adopt a procedure regarding the internal circuit and the disclosure towards the third parties of the documents and information related to the Issuer, showing a special concern towards the information that could influence the evolution of the market price of the securities issued by the latter?	x		
P18	R37/ R38	Does the Issuer develop activities regarding the Social and Environment Responsibility of the Company?	x		

**Chairman of the Administration Board,
Eng. Manole Popa**

