

STATEMENT “APPLY OR EXPLAIN”

Corporate Governance Code of the Bucharest Stock Exchange
March 2014

BANCA TA. ECHIPA TA



GRUPE SOCIETATE GENERALE

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
P19	Is the issuer managed based on a dual system?		No	<p>BRD - Groupe Société Générale S.A. ("BRD" or "the Bank") has adopted a unitary system of administration which meets the current needs of the Bank in terms of good administration and management of the company.</p> <p>By complying with the principles of clear separation of responsibilities between the Board of Directors and the executive management, by avoiding to involve the Board of Directors in the daily management of the bank, by having a majority number of non-executive directors, the management system of BRD is in full harmony with the objective of corporate governance, ensuring the transparency of information, the protection of the interests of both the shareholders and of other categories of concerned persons, as well as an efficient operation on the banking market.</p>
P1	Has the issuer elaborated Corporate Governance Statutes / Regulations which would describe the main corporate governance aspects?	Yes		
R2	Are the Corporate Governance Statutes/ Regulation posted on the company website, with an indication of the latest update?	Yes		
R3	Are the corporate governance structures, the positions, the powers and responsibilities of the Board of Directors (BoD) and of the executive management defined in the Corporate Governance Statutes / Regulations?	Yes		
	Does the issuer's Annual Report include a chapter dedicated to corporate governance, describing all the	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
	<p>relevant elements related to corporate governance, occurred during the previous financial year?</p>			
	<p>Does the issuer disseminate on the company's website information regarding the following aspects related to its corporate governance policy:</p>	Yes		
	<p>a) Description of its corporate governance structures?</p>			
	<p>b) Updated articles of incorporation?</p>	Yes		
	<p>c) Internal regulations / essential aspects thereof for each specialised commission / committee?</p>		No	BRD Corporate Governance Code and the Annual Report published on the bank website include relevant information regarding the organization / operation and the competence of the major committees within the bank.
	<p>d) The "Apply or Explain" statement?</p>	Yes		
	<p>e) The list of the members of the Board of Directors, indicating which of them are independent and/or non-executive, the members of the executive management and of the specialised committees / commissions?</p>	Yes		
	<p>f) A short version CV of each member of the Board of Directors and of the executive management?</p>	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
P2	Does the issuer respect the rights of the holders of financial instruments issued by such issuer, by providing them with equitable treatment and by submitting to their approval any changes in the conferred rights, within the special meetings of such holders?	Yes		
P3	Does the issuer publish in a dedicated website section details on the General Meeting of the Shareholders (GMS): a) the notice of meeting of GMS?	Yes		
	b) the materials/documents related to the agenda and any other information regarding the items on the agenda?	Yes		
	c) forms of special power of attorney?	Yes		
R6	Has the issuer elaborated and proposed to GMS any procedures for the orderly and efficient development of the GMS works, without nevertheless prejudicing the right of any shareholder of freely expressing their opinion on the matters under debate?	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
R8	Does the issuer disseminate, in a dedicated section of its website, the shareholders' rights and the rules and procedures for attending the GMS?	Yes		
	Does the issuer inform in due time (immediately after the GMS) all the shareholders, through the dedicated section on its website, on:	Yes		
	a) the decisions made within the GMS?			
	b) the detailed results of the vote?	Yes		
	Do the issuers disseminate, through a special section on their website, which is easily identifiable and accessible:	Yes		
	a) current reports / releases? b) the financial calendar, annual, half-yearly and quarterly reports?	Yes		
R9	Is there within the issuing company a specialised department / person dedicated to the relation with the investors?	Yes		
P4, P5	R10	Yes		
R12	Does the BoD meet at least once a quarter to monitor the issuer's activity?	Yes		
	Does the issuer hold a set of rules regarding the behaviour and the obligations to report the transactions	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
	with the shares or other financial instruments issued by the company ("the securities of the company") made in their own account by the directors and other involved natural persons?			
	If a member of the BoD or of the executive management or another involved person makes, on his/her own account, a transaction with the securities of the company, is this transaction communicated through the company website, according to the related Rules?		No	The members of the Board of Directors have the obligation to declare to the Bucharest Stock Exchange and to the Financial Supervisory Authority Financial Instruments and Investments Sector any transaction (buying or selling) they make with the securities of the bank and, thus, this information becomes public.
P6	Does the structure of the issuer's Board of Directors ensure a balance between the executive and the non-executive members (particularly, the independent non-executive directors) so that no person or limited group of persons can dominate, in general, the decision-making process of the BoD?	Yes		
P7	Does the structure of the issuer's Board of Directors ensure a sufficient number of independent members?	Yes		
P8	Does the BoD have, in its activity, the support of advisory committees / commissions to examine specific themes chosen by the BoD and to advise it on such themes?	Yes		
	Do the advisory committees / commissions submit to the BoD activity reports regarding the themes assigned by it?	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
R16	Does the Board of Directors use the evaluation criteria specified in Recommendation no. 16 to evaluate the independence of its non-executive members?		No	In order to evaluate the independence of its non-executive members of the Board of Directors it was used the evaluation criteria specified in Companies Law no.31/1990.
	Do the members of the BoD permanently improve their knowledge by training in the field of corporate governance?	Yes		
P9	Does the election of the BoD members rely on a transparent procedure (objective criteria regarding their personal / professional qualification, etc.)?	Yes		
P10	Is there a Nomination Committee within the Company?	Yes		
P11	Does the Board of Directors analyse at least once a year the need to set up a remuneration committee / policy for the directors and members of the executive management?	Yes		
	Is the remuneration policy approved by GMS?		No	The BRD remuneration policy is approved by the Board of Directors. The GMS approves the non-executive directors' remuneration for the current financial year, as well as the general limits for the additional remunerations due to the directors and officers.

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
R22	Is there a Remuneration Committee made up exclusively of non-executive directors?	Yes		
	R24		No	The remuneration policy is formalised through a distinct document, approved by the Board of Directors of the bank.
P12, P13	R25	Yes		
	R26	Yes		
R27	Is there an Audit Committee within the company?	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
R28	Does the BoD or 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 formed exclusively 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, with the specific purpose of preparing and disseminating to the shareholders the half-yearly and annual results?	Yes		
R32	Does the Audit Committee make recommendations to the BoD regarding the selection, appointment, reappointment and replacement of the financial auditor, as well as the terms and conditions of remuneration of the financial auditor?	Yes		
P14	Has the BoD adopted a procedure for the purpose of identifying and properly solving the cases of conflicts of interests?	Yes		
P15	Do the directors inform the BoD on the conflicts of interests as and when they occur and do they abstain from debating and voting on such matters, in compliance with the applicable legal provisions?	Yes		

Principle / Recommendation	Question	YES	NO	If NO, EXPLAIN:
P16 R34/ R35	Has the BoD adopted specific procedures in order to ensure the procedural correctness (criteria for identifying transactions with material impact, of transparency, objectivity, non-competition, etc.) and to identify transactions with involved parties?	Yes		
P17 R36	Has the BoD adopted a procedure regarding the internal circuit and the disclosure to third parties of the documents and information regarding the issuer, by paying special attention to the information that can influence the evolution of the market price of its securities?	Yes		
P18 R37/ R38	Does the issuer carry out activities with regard to the company's social and environmental responsibility?	Yes		

Philippe LHOTTE



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President and Chief Executive Officer

Petre BUNESCU

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Deputy Chief Executive Officer