

S.C. TURISM FELIX S.A. Băile Felix

The stage of compliance with the provisions of the Corporate Governance Code of B.V.B. on the date of 31 December 2020

Annex 1

Provisions of CGC-BVB	Compliance	Non-Compliance	Observations
SECTION A – RESPONSIBILITIES			
A.1. All companies must have a Council internal regulation, which includes the terms of reference / responsibilities of the Board and the key management functions of the company, and which apply, inter alia, the General Principles of Section A.	Partially		In the Articles of Incorporation, the Regulations for the organization and functioning of the company and the Regulations for Corporate Governance, the rules of organization, functioning and the powers of the Board of Directors are to be approved and published.
A.2. Provisions for the management of conflicts of interest should be included in the Council regulation. In any case, the members of the Council must notify the Council of any conflicts of interest that have arisen or may arise and refrain from participating in discussions (including by not presenting, unless the presence would prevent the formation of a quorum) and to the vote for the adoption of a decision on the question that gives rise to the respective conflict of interests.	Partially		In the Corporate Governance Regulation there are rules regarding the conflict of interests of the members of the Board of Directors. The regulation will be approved and published on the company's website
A.3. The Board of Directors must be made up of at least five members.	YES		.
A.4. Most members of the Board of Directors must have no executive function. In the case of companies in the Premium Category, no less than two non-executive members of the Board of Directors must be independent. Each independent member of the Board of Directors must submit a statement at the time of its nomination for election or re-election, as well as when any change in its status occurs, indicating the elements on which it is considered to be independent in character and of his judgment.	YES		
A.5. Other relatively permanent professional commitments and obligations of a Board member, including executive and non-executive positions on the Board of non-profit companies and institutions, should be disclosed to potential shareholders and investors prior to their appointment and during their term of office.	YES		
A.6. Any member of the Board must submit to the Board information on any relationship with a shareholder who directly or indirectly holds shares representing more than 5% of all voting rights. This obligation refers to any kind of report that may affect the member's position on matters decided by the Board.	YES		
A.7. The company must appoint a secretary of the Council responsible for supporting the activity of the Council.	YES		
A.8. The corporate governance statement will inform if an evaluation of the Board has taken place under the chairmanship of the Chairman or the nominating committee and, if so, will summarize the key measures and changes resulting from it. The company must have a policy / guide regarding the evaluation of the Board, including the purpose, criteria and frequency of the evaluation process.		NO	Requirement to be implemented in the next period.

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A.9. The corporate governance statement must contain information on the number of meetings of the Board and committees during the last year, the participation of the directors (in person and in absence) and a report of the Board and committees on their activities.		NO	Requirement to be implemented in the next period.
Provisions of CGC-BVB	Compliance	Non-Compliance	Observations
A.10. The corporate governance statement must contain information on the exact number of independent members of the Board of Directors.	YES		
A.11. The Board of Premium Category Companies must establish a nominating committee made up of non-executive members, which will lead the procedure for appointing new members to the Board and make recommendations to the Council. Most members of the nominating committee must be independent.	YES		
SECTION B – RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM			
B.1. The Board must establish an audit committee in which at least one member must be an independent non-executive director. In the case of companies in the Premium Category, the audit committee must be made up of at least three members and the majority of the members of the audit committee must be independent.	YES		
B.2. The chairman of the audit committee must be an independent non-executive member.	YES		
B.3. Within its responsibilities, the audit committee must carry out an annual evaluation of the internal control system	YES		
B.4. The evaluation must take into account the effectiveness and comprehension of the internal audit function, the adequacy of the risk management and internal control reports submitted to the Council's audit committee, the promptness and effectiveness with which the executive management resolves the weaknesses or weaknesses identified as a result of the control. internal and the presentation of relevant reports to the attention of the Council.	Partially		Requirement to be totally implemented in the next period.
B.5. The audit committee must evaluate conflicts of interest regarding the transactions of the company and its subsidiaries with related parties.		NO	Requirement to be totally implemented in the next period.
B.6. The audit committee must evaluate the effectiveness of the internal control system and the risk management system.		NO	Requirement to be totally implemented in the next period.
B.7. The audit committee should monitor the application of legal standards and generally accepted internal audit standards. The audit committee must receive and evaluate the reports of the internal audit team.	YES		
B.8. Whenever the Code mentions reports or analyzes initiated by the Audit Committee, they must be followed by periodic (at least annually) or ad-hoc reports which must be submitted to the Council afterwards.	YES		
B.9. No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements concluded by the company with shareholders and their affiliates.	YES		

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B.10. The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Council following a mandatory opinion of the Council's audit committee and correctly disclosed to the shareholders and potential investors, insofar as these transactions fall within the category of events that are subject to reporting requirements..	YES		
Provisions of CGC-BVB	Compliance	Non-Compliance	Observations
B.11. Internal audits must be performed by a structurally separate division (internal audit department) within the company or by hiring an independent third party entity.	YES		
B.12. In order to ensure the fulfillment of the main functions of the internal audit department, it must report functionally to the Council through the audit committee. For administrative purposes and within the obligations of management to monitor and reduce risks, it must report directly to the General Manager.	YES		
SECTION C – JUST REWARD AND MOTIVATION			
C.1. The company must publish on its website the remuneration policy and include in the annual report a statement regarding the implementation of the remuneration policy during the annual period under review. Any essential change in the remuneration policy must be published in good time on the company's website.		NO	The remuneration policy of the Directors and the General Manager is the one provided for in the Management Contract.
SECTION D - ADDING VALUE THROUGH INVESTOR RELATIONS			
D.1. The company must organize an Investor Relations service - indicating to the general public the responsible person / persons or the organizational unit. In addition to the information required by the legal provisions, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	Parțial		La nivelul societății există un departament juridic care gestionează relația cu acționarii.
D.1.1. The main corporate regulations: the articles of incorporation, the procedures regarding the general meetings of the shareholders.	YES		
D.1.2. The professional CVs of the members of the management bodies of the company, other professional commitments of the members of the Board, including executive and non-executive positions in the boards of directors of companies or non-profit institutions.	YES		
D.1.3. Current reports and periodic reports (quarterly, half-yearly and annual) - at least those referred to in point D.8 - including current reports with detailed information regarding non-compliance with this Code.	YES		
D.1.4. Information regarding the general meetings of the shareholders: the agenda and the information materials.	YES		
D.1.6. The name and contact details of a person who will be able to provide, upon request, relevant information.	YES		
D.1.7. Company presentations (eg, investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annual), audit reports and annual reports.	Partially		The company does not present information to investors, summarizing the mandatory minimum reports.

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D.2. The company will have a policy regarding the annual distribution of dividends or other benefits to shareholders. The principles of the annual distribution policy to shareholders will be published on the company's website.		No	There is no dividend granting policy.
D.3. The company will adopt a policy regarding forecasts, whether they are made public or not. The forecasting policy will determine the frequency, the period considered and the content of the forecasts. If published, forecasts can only be included in annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website.		No	There is no forecast policy, the requirement is to be implemented in the next period.
Provisions of CGC-BVB	Compliance	Non-Compliance	Observations
D.4. The rules of the general meetings of the shareholders should not limit the participation of the shareholders in the general meetings and the exercise of their rights. Amendments to the rules will enter into force at the earliest, starting with the next shareholders meeting.	YES		
D.5. External auditors will be present at the general meeting of shareholders when their reports are presented at these meetings.	YES		
D.6. The Board will present to the annual general meeting of shareholders a brief assessment on the internal control and significant risk management systems, as well as opinions on issues subject to the decision of the general meeting.	YES		
D.7. Any specialist, consultant, expert or financial analyst may attend the shareholders' meeting on the basis of a prior invitation from the Board. Accredited journalists may also attend the general meeting of shareholders, unless the President of the Council decides otherwise.	YES		
D.8. Quarterly and half-yearly financial reports will include information in both Romanian and English on key factors influencing changes in sales level, operating profit, net profit and other relevant financial indicators, from quarter to quarter, as well as from year to year.	YES		
D.9. A company will organize at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the Investor Relations section of the company website on the date of the meetings / teleconferences.		NU	Requirement to be implemented in the next period.
D.10. If a society supports different forms of artistic and cultural expression, sports activities, educational or scientific activities and considers that their impact on the innovative character and competitiveness of the society is part of its development mission and strategy, it will publish the activity policy its in this area.	Partially		The company supports artistic, sporting activities, etc., but they are not published on the company's website, and a policy will be implemented in this regard.

General manager,
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