

CORPORATE GOVERNANCE REGULATION

-2020-

ROMCARBON S.A.

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Aproved,

Board of Directors,

Chairman Huang Liang Neng

PREAMBLE

The present Company Corporate Governance Regulation summarizes the main rules, structures, procedures and practices of decision-making in the company, governance standards that ensure the application of the general principles of efficient administration and control of the activities carried out by the company according to its object of activity, to the benefit of shareholders and to increase investor confidence. The entire set of corporate governance standards provides the structure that sets the company's goals, means to achieve and monitor performance, and aims to promote fairness, transparency and accountability at the company level.

"ROMCARBON" S.A. is a Romanian legal person, acting as a joint stock company, according to the legal provisions in force. It carries out its activity in accordance with the Romanian laws and the Act of incorporation.

The company was founded in 1952, initially under the name of ""The Plastics Enterprise"". The company has its headquarters in Romania, Buzau, no.132 Transilvaniei Street, is organized as a joint stock company and is subject to Romanian legislation.

The main activity domain of the company is: 222 - Manufacture of plastic and the main activity, according to the encoding - 2221 Manufacture of plates, sheets, tubes and profiles in plastic.

In 2005, the company implemented a modern ERP system for enterprise resource planning (ERP - Enterprise Resource Planning), in order to optimize the decision process.

Investments made by the company targeted expansion of production activities by land acquisition, modernization and acquisition of equipment, expansion and introduction of new products in line with the regulations in force (including alignment with EU norms).

In the meeting on 11.03.2008, the National Securities Commission decided, by Decision no.469/ 11.03.2008, the approval of the Prospectus prepared for admission to trading on the regulated market of BURSA DE VALORI BUCURESTI S.A. of the shares issued by ROMCARBON S.A.

Thus, **starting from 30.05.2008** the shares of ROMCARBON S.A. were traded on the regulated market of the Bucharest Stock Exchange, Equities Sector, Second category of Shares and **starting with 05.01.2015** the shares of ROMCARBON S.A. are traded on the regulated market of the Bucharest Stock Exchange, Equity Sector, Standard category, according to the new market segmentation introduced by Bucharest Stock Exchange.

Previously trading on Bucharest Stock Exchange the company was listed on Second category of the Rasdaq market.

The main features of the shares issued by ROMCARBON S.A. are:

- Number of shares - 264 122 096

- a) nominal value - 0.1 lei
- b) ISIN code: ROROCEACNOR1
- c) symbol: ROCE

Although a new entry on the Bucharest Stock Exchange regulated market, ROMCARBON S.A. has proposed the implementation of such a policy oriented towards profit for shareholders and one to assume a role oriented corporate responsibility and ethics, with significant impact on the environment and consequently the community.

I. REGULATION OF CORPORATE GOVERNANCE WITHIN ROMCARBON S.A.

The Corporate governance rules applicable to the company comply with the company **Law no.31/1990** on companies, republished in 2004, as amended and supplemented, **Law no.297/2004** on the capital market, as amended and supplemented and **Law no.24/2017**, on issuers of financial instruments and market operations, the regulations issued by CNVM to regulate the capital market, accounting regulations, regulations on Audit, Law no. 82/1991 for Accounting, republished with subsequent modifications, Corporate Governance Code of the Bucharest Stock Exchange adopted by the Council of the Bucharest Stock Exchange in 2015, the Articles of incorporation of ROMCARBON SA, the Collective Labour Agreement and the Internal Regulation, concluded at the level of the company and the Code of Ethics hereinafter generically referred to as "Legal provisions".

II. STRUCTURES AND ASPECTS OF CORPORATE GOVERNANCE

2.1. General Meeting of Shareholders

The General Meeting of Shareholders (GMS) includes all shareholders and meets in ordinary meetings (OGMS) and extraordinary meetings (EGM), each with competencies established by law.

The Convocation, organization and conducting the works for GMS is in strict accordance with the law, ensuring the presentation of the materials, recording the works and decisions taken.

2.2. Board of Directors

Currently, the Company's management system is **unitary**.

ROMCARBON S.A. is administered by the Board of Directors consisting of 3 members, elected or appointed by the General Meeting of Shareholders in accordance with the law, by secret vote, for a term of four years, with the possibility of re-election.

Members of the Board of Directors ensure an effective capacity to monitor, analyze and evaluate the work of directors and equitable treatment of shareholders.

The election of members of the Board of Directors is done between the persons appointed by the shareholders.

In appointing members of the Board of Directors the General meeting has pursued a balanced competence according to the structure and activity of ROMCARBON S.A. as well as the personal experience and qualifications of board members.

The Board of Directors meets at the company's headquarters or elsewhere, monthly and whenever necessary, convoked by its President or 2/3 of its members. It is chaired by the Chairman and in his absence, by the Deputy Chairman of the Board of Directors .

The convocations for Board meetings are transmitted at least 5 days prior to the meeting, by any means of distance communication (mail, email, fax) to ensure receipt confirmation in writing by the recipient / member of the Board of Directors convoked. These convocations include the date, respectively the location where the the Board of Directors meeting will take place and the agenda, the board members not being able to take any decision on any other issues, except in case of emergency and provided such decision is subject to ratification in the next meeting by absent members. In exceptional cases, justified by the urgency of the situation and the interests of the company, the Board of directors may taken decisions by unanimous vote of the members expressed in writing, without the need for a meeting of that body.

For the validity of the decisions it is required the presence of at least 2/3 of the members of the Board and decisions are taken by an absolute majority of the members present. In case of equal votes, the Chairman of the Board of Directors shall have the decisive vote. If the Chairman of the Board is unable or is forbidden to participate in the vote, the other members of the Board of Directors may elect a chairman of the meeting, with the same rights as chairman in office. In case of a tie and if the chairman does not benefit the decisive vote, the proposal subjected to the vote shall be considered rejected.

Board members express their vote on the issues on the agenda during the meeting. In case of absence, administrators can express their vote by any means of distance communication (mail, email, fax) that ensures receipt confirmation of the vote expressed in writing by the Secretary of the Board, no later than the end of the session for which they were convoked.

Decision-making process remains a collective responsibility of board members they are held jointly responsible for all decisions adopted in exercise of the powers.

The debates of the Board of Directors meetings are recorded in the minutes of the meeting which is inscribed in a register. Board of Directors meetings can be recorded audio-video. The meeting minutes is signed by the Chairman of the Board and by at least one other administrator.

Chairman of the Board, Board members, general manager, directors, respond individually or jointly, as appropriate, to the company for damages resulting from criminal offenses or violations of legal provisions for deviations from the article of association, as well as mistakes in administrating and management of the company. In such situations, they may be revoked by the decision of the General Meeting of Shareholders respectively the decision of the Bord of Directors.

At the date of this annual report, the Board of Directors of ROMCARBON S.A. consists of the following directors elected at the General Meeting dated 23.01.2020, for a term of four years, expiring on 04.02.2024, respectively Mr. Huang Liang Neng, dl. Mr. Wang, Yi-Hao and Mr. Toderiță Ștefan - Alexandru.

► **Chairman – HUANG, LIANG NENG**

*Professional experience

- Economist - KENG FANG LTD., Taiwan - November 1993 - June. 1997
- Economist - DECATHLON - Taiwan Branch, Taiwan - July 1997 - May 2001
- Associate and administrator - Tairom Import-Export SRL Buzau - September 2001 - April 2004
- Shareholder - Greentech SA Buzau - March 2003 - March 2005
- Censor - Greentech SA Buzau - January 2005 - March 2005
- Administrator - Greentech SA Buzau - January 2009 - May 2012
- Shareholder - Greenfiber International SA Buzau - May 2005 - February 2009
- Sole Administrator - Greenfiber International SA Buzau - May 2005 - April 2007
- Administrator - Living Plastic Industry SA Buzau - March 2007 - May 2012
- Sole Shareholder - Greelamp Reciclare S.A. - May 2010 - August 2010
- Sole Shareholder - Greelamp Reciclare S.A. - August 2010 - April 2012
- Sole Administrator - Greelamp Reciclare S.A. - May 2010 - May 2012
- Provisional Administrator - Greelamp Reciclare S.A. - February 2013 - March 2013
- Administrator / Chairman of the Board of Directors - Greelamp Reciclare S.A. - March 2013- June 2013
- Financial Advisor - LIVINGJUMBO INDUSTRY S.A., November 2009 – present
- Administrator / Chairman of the Board - S.C. ROMCARBON S.A., April 2018 – present

► Deputy Chairman - WANG, YI – HAO

*Professional experience

- Director of the International Living Water Trade Department at Spring International Co., Ltd - 2007-2010
- General Manager Living Water in Spring International Co., Ltd - 2010- present
- Member of the Board of Directors of S.C. GREENFIBER INTERNATIONAL SA- 20.09.2010- 28.05.2012
- Member of the Board of Directors of SC GREENTECH SA: 19.11.2010 - 28.05.2012
- Member of the Board of Directors of SC GREENWEEE INTERNATIONAL SA: 01.09.2010 - 28.05.2012

► Member - TODERIȚĂ ȘTEFAN-ALEXANDRU

*Professional experience

- Mastercard Europe - Payment Technology Consultant, April 2018 – present
- Boston Consulting Group - Associate, Management Consulting, February 2018 - April 2018
- A.T. Kearney Bucharest, Romania - Management Consultant, July 2016 - November 2017
- Swiss Capital - Broker, sales and trading (agent for financial investment services), October 2012-March 2015

The Board of Directors duties are stipulated in the Article of incorporation of ROMCARBON S.A. , being in strict accordance with the law, ensuring the presentation of materials, recording of the works and the decisions taken.

Assessments made by the Board of Directors.

Among the attributions of the Board of Directors are the following assessments:

- assessing of Board of Directors members, structure and performance. (by self-evaluation);
- assessing the independence of non-executive Board of Directors members.

Advisory Committees

Alongside the Board of Directors, is in function the Audit Committee, formed of 2 members, which carries out an annual assessment of the internal control system, considers the efficiency and scope of the internal audit function, risk management and internal control reporting to the audit committee within the Board of Directors, as well as the ability of the

management to react and address inefficiencies or weaknesses in the internal control system identified and presented to the Board of Directors through relevant reports.

The Audit Committee must reconsider conflicts of interest in the transactions of the company and its subsidiaries with the parties involved. The Audit Committee is responsible for reviewing the Corporate Governance Statement in its annual report on risk and internal control and for assessing corporate governance and monitors the application of statutory and generally accepted internal audit standards. The audit committee must receive and evaluate internal audit team reports.

Procedures and rules established by the Board of Directors

The Board of Directors establishes procedures / rules regarding:

- Reporting the transactions based on inside information;
- Measures to avoid market manipulation;
- Reporting the transactions with ROCE shares executed on their own account by the directors or other involved persons;
- Identification of transactions with significant impact;
- Procedures for approval and implementation for the transactions concluded with the involved parties;
- Measures to avoid conflicts of interests of the directors;
- Best practices and specific reporting modalities.

The Directors nomination and remuneration

Nomination of ROMCARBON S.A. Directors is made by the shareholders, the nominations being subject to the approval of the General Meeting of the Shareholders. Candidates for the position of member of the board of directors of the company must comply with the general conditions stipulated by the Law no. 31/1990 and the special ones established by the Law no.24 / 2017.

Currently, the remuneration of the administrators is done in accordance with the provisions of the constitutive act and of the Ordinary General Assembly Decision dated 27.04.2012.

2.3. Executive leadership

Executive Management of ROMCARBON S.A. is provided by the following persons to whom the company's management duties have been delegated:

Huang Liang Neng- General Manager starting with 17.02.2020

Mănăilă Carmen- Administrative Deputy General Manager starting with 17.02.2020

Dobrotă Cristinel – Development Deputy General Manager starting with 17.02.2020

Zainescu Viorica Ioana - Financial Manager starting with 15.01.2010

Titi Mihai - Technical Manager starting with 17.02.2020

Constantinescu Gabriel - Manager of Filters, Personal Protective Equipment and Activated Carbon Profit Center (CP no.1 & 2) starting with 17.02.2020

Pîndaru Alina - Manager of Polyethylene and PVC Profit Center (CP no.3 & 4) starting with 17.02.2020

Ungureanu Ion - Manager of Expanded Polystyrene Profit Center (CP no.5) starting with 17.02.2020

Cretu Victor - Manager of the Polyethylene and PVC Profit Center (CP no.6) starting with 17.02.2020

Commercial Activity:

Sales Director Filters, Personal Protective Equipment and Activated Carbon" - Constantinescu Gabriel

Sales Director Polyethylene and PVC - Gogea Ciprian

Sales Director Expanded Polystyrene - Irimia Sorin

Sales Director Polypropylene - Constantin Gabriela

The General Manager is appointed by the Board of Directors (in the case of Mr. Huang Liang Neng – BoD Decision no.19 /24.12.2019).

In relations with third parties, the company is represented by the General Manager under the provisions of art. 143 par. 4 corroborated with art. 143 ^ 2 paragraph 4 of Law 31/1990 on commercial companies.

The remuneration of the directors of the company is made in accordance with the provisions of the constitutive act.

2.4. Internal Auditor

The company organizes its internal audit activity in accordance with the legal provisions; these provisions are properly found in the constitutive act of the company. The internal audit activity is provided at the level of the company by **Stefănoiu Vasile Individual Audit Office**.

The internal auditor participates in the meetings of the Board of Directors and the General Shareholders' Meetings and informs them of the irregularities in the administration, (and) the violations of the legal provisions and of the provisions of the constitutive act that they find.

The mission, competencies and responsibilities of internal audit are defined in an Internal Audit Charter approved by the Board of Directors of the Company; The Internal Audit Charter establishes the position of the internal audit within the company, establishes the way of accessing the documents of the company in order to perform the audit missions properly, defines the sphere of activity of the internal audit.

2.5 Risk management

Risk factors include general issues (emerging markets pose a higher risk than developed economies and mature legal and mature systems), potential political instability, risks from temporary instability of the legislative framework, risks linked to the instability of the exchange rate and inflation rate as well as risks related to the capital market and its liquidity.

ROMCARBON S.A. addresses the risk prudently in line with its long-term strategy. Prudent risk management is growing in importance given the prolongation of economic uncertainties at economic and financial levels and the prominent manifestation of market volatility. The strategic vision of risk management is stabilized by C.A. and is applied through action policies at the level of executive management of society. The activity of control and risk management is ensured through a series of specific structures regulated by the specific provisions of the capital market, the constitutive act of the company, the collective labor contract and the organizational structure of the company, as follows:

- the financial auditor;
- the internal auditor;
- configuration of the organizational and functional structure.

The financial statements of the company are audited, according to the law, by an external financial auditor (legal person), member of the Chamber of Financial Auditors in Romania, appointed by the Ordinary General Assembly of Shareholders (OGMS) and operating under a performance contract services approved by the Board of Directors of the company. The company's relationship with the financial auditor is maintained by the Board of Directors.

At present, the external financial auditor of ROMCARBON S.A. is **S.C. DELOITTE AUDIT S.R.L.** and was elected by the O.G.M.S. decision no.1 of April 29, 2020, for a period of 1 year.

I. CORPORATE RIGHTS OF THE SHAREHOLDERS

Company shareholders are the natural or legal persons who have acquired or will acquire the ownership of one or more shares issued by the company and have registered the right acquired in the Shareholders Register held by the company designated by the contract, in accordance with the law - CENTRAL DEPOSITOR S.A.

The acquisition, in any form, of the shares of the company, presupposes from the shareholders the unconditional adherence to all the provisions of the constitutive act in force at the date of acquisition.

ROMCARBON S.A. respects the rights of securities holders and ensures equal treatment for all holders of securities of the same type and class, providing all relevant information to enable them to exercise all their rights. Securities owners must exercise their rights in good faith, respecting the legitimate rights and interests of other holders and the priority interest of the commercial company, otherwise they are liable for the damages caused.

Each share subscribed and paid by the shareholders gives them the right to vote in the general shareholders' meeting, the right to elect and to be elected in the governing bodies of the company, the right to participate in the distribution of the profit, according to the provisions of the company's constitutive act and of the social asset upon the dissolution of the company, as well as other rights provided by the legislation in force.

Acquisition of actions involves full adherence to the constitutive act of society. The rights and obligations of each share follow in the case of its transfer to another person's property.

The company's liabilities are guaranteed by its patrimony. The patrimony of society can not be burdened by any debt or personal obligation of the shareholders.

A creditor of a shareholder may claim the part of the company's benefit only after the general meeting of the shareholders approves the balance sheet and the benefit, as well as the share thereof, which is due to each shareholder.

Each of the shareholders participates in benefits and losses proportional to the share held in the share capital.

The share capital of the company may be increased by the decision of the Extraordinary General Meeting or, in the cases provided by the law, by the decision of the Board of Directors by all means and procedures stipulated by the legal provisions and under the conditions stipulated by the law.

Existing shareholders will have the right to preemptively, under the law, to acquire new shares, in proportion to the percentage held by the company's share capital at that time. The payment made by the shareholders to the company in exchange for these shares will be made in accordance with the legal provisions and the approval of the General Meeting of Shareholders.

The term of exercising the right of preemption is set by the Extraordinary General Meeting of Shareholders approving the capital increase, not less than the term stipulated by the law. If any of the aforementioned shareholders refuses or fails for any reason to exercise the preemptive right to acquire new shares within the term set by the Extraordinary General Meeting of Shareholders, this right will be passed on to the other shareholders who will be

able to exercise within 1 week from the expiry of the deadline set by the meeting approving the capital increase and proportional to the share held in the share capital at the date of identifying the shareholders to be entitled to the rights established by that meeting.

The General Assembly of the Shareholders will be able to decide on the reintegration of the share capital by issuing new shares.

The Extraordinary General Meeting of Shareholders or the Board of Directors shall decide to reduce the share capital in accordance with the legal provisions by reducing the nominal value of the shares or by reducing the number of shares or by acquiring own shares followed by their cancellation and other cases of reduction of the share capital. Under no circumstances will the reduction of the share capital be able to achieve in any way the quality of the shareholder and the equality between the shareholders.

Currently, the share capital of ROMCARBON S.A. is 26,412,209.6 lei.

All Shareholders Issued by ROMCARBON S.A. are treated fairly. All issued shares give the holders equal rights.

ROMCARBON S.A. facilitates and encourages: the participation of shareholders in the General Assembly of Shareholders (GMS), the full exercise of their rights, the dialogue between shareholders and members of the Board of Directors and / or management. The General Meeting of Shareholders is the governing body of the company, which decides on its activity and ensures its economic and commercial policy.

The attributions of the General Meeting of Shareholders are those set forth in the Articles of Incorporation of ROMCARBON S.A. being in strict accordance with the legal provisions, ensuring the presentation of the materials, the recording of the works and the decisions taken.

The general meeting is convened by the board of directors whenever necessary.

The General Shareholders' Meetings have the right to participate and vote the shareholders registered in the Shareholders' Registry (issued by the CENTRAL DEPOSITOR S.A.) on the reference date. Shareholders may participate in their own name or by representation by other persons and by correspondence.

The representation of the shareholders may also be done by persons other than the shareholders, on the basis of a special power of attorney, in accordance with Article 92 paragraph 10 of Law 24/2017.

Starting with at least 30 days prior to the AGOA / AGEA meetings and up to the date set for the AGOA / AGEA meetings, they can be obtained by the shareholders at the registered office of the company every working day between 9.00-17.00 or they can be downloaded from the website www.romcarbon.com, both Romanian version and the English version of the following documents:

The convocation, the total number of shares issued and the voting rights at the date of the convocation, the draft decision proposed for approval by the GMS , general / special empowerment forms usable for voting by representation, correspondence voting forms, documents to be presented at the AGM meeting.

In the case of personal vote, the shareholders and the legal persons are entitled to participate in the AGM session by simply demonstrating the identity of the individual shareholders with the identity document (identity card, identity card, passport, residence permit) and the case of the legal person shareholders with the identity card of the legal representative (identity card, identity card, passport, residence permit).

The status of legal representative is evidenced by a certificate issued by the trade registry or any equivalent document issued by a competent authority in the state in which the legal entity is legally registered, attesting to the status of legal representative, presented in the original or copy according to the original. Documents certifying the legal representative of the legal entity shareholder will be issued no later than 3 months before the date of the AGA convocation.

Documents submitted in a language other than English will be accompanied by a translation made by a Romanian / English-authorized translator.

In the case of voting through representation by power of attorney, it is possible to represent shareholders at AGOA / AGEA meetings through a representative / trustee who may be another shareholder or a third person.

The vote by representation with the special power of attorney will be expressed by completing and signing the special proxies provided by the company in 3 copies of which: one copy will be sent in writing in original to the registered office, the second copy will be handed to the representative , so that he can prove himself a representative at the request of the technical secretariat of the assembly, the third copy remaining to the shareholder.

The special / general power of attorney will be transmitted in physical format, original in the case of a special power of attorney, respectively in a copy according to the original under the signature of the representative, in the case of the general power of attorney, so that the reception at the registered office is registered at least 48 hours before the sessions AGOA / AGEA or by e-mail at office@romcarbon.com (where electronic means are used, the special power of attorney will be transmitted through the extended electronic signature incorporated according to the Law no. 455/2001), until the same date and time.

Regardless of the manner of transmitting the proxies of representation in the GMS, the statement must be clearly and in block capitals "PROCEEDING FOR THE ORDINARY / EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ON THE DATE OF _____".

A shareholder may designate one person to represent it in the AGM.

A shareholder may designate one or more alternate representatives by a special power of attorney to represent him or her in the general meeting if the appointed representative is unable to fulfill his mandate. If several substitute representatives are appointed by the special power of attorney, the order in which they will exercise their mandate shall also be established.

Also, a shareholder may award a valid proxy for a period not exceeding three years, which empowers his or her representative to vote on all aspects of the GMS debate, including mandatory acts, provided that the power of attorney either granted by the shareholder as a client to an intermediary within the meaning of the capital legislation or a lawyer.

For purposes of identification, the special / general power of attorney will be accompanied by the following documents: a copy of a shareholder's identity document (identity card, identity card, passport, residence permit) and copy of representative identity card for individuals; copy of identity card / representative person / identity card (identity card, identity card, passport, residence permit), copy of identity card / representative attorney accompanied by attorney in the original or in the case of the representative / representative legal person copy of the act the identity of the legal representative of the legal representative, accompanied by the certificate issued by the trade register or any equivalent document issued by a competent authority in the state in which the legal representative / representative is legally registered, presented in original or in a copy according to original.

Documents submitted in a language other than English will be accompanied by a translation made by a Romanian / English-authorized translator.

When completing the special proxy forms, the shareholders will consider the possibility of completing the update of the agenda, in which case the proxy forms will be updated.

Shareholders may not be represented in the General Meeting of Shareholders on the basis of a general power of attorney by a person in a situation of conflict of interest, in accordance with art.92 paragraph 15 of the Law no.24/017 on issuers of financial instruments and operations market.

The special power of representation in the AGM given by a shareholder to a credit institution providing custody services shall be valid without the submission of additional documents relating to that shareholder, if the special power of attorney is drawn up in accordance with ASF Regulation No.5/2018, is signed by that shareholder and is accompanied by a declaration on its own responsibility given by the legal representative of the credit institution that has received the power of attorney by special power of attorney, showing that: (i) the credit institution provides custody services to that shareholder; (ii) the instructions under the special power of attorney are the same as those in the SWIFT message received by the credit institution to vote on behalf of that shareholder; (iii) the special power of attorney is signed by the shareholder.

Special proxy and self-declaration must be submitted to the registered office in original, signed and stamped, if necessary, without further formalities in relation to the form of these documents.

Shareholders registered in the Shareholders' Registry on the reference date can express and transmit votes on the items on the GMS agenda and by correspondence. Voting forms can be obtained from the company's headquarters - the Investor Relations Service or can be downloaded from the company's website, both in Romanian and English, starting at least 30 days before the OGMS/EGMS date.

The voting form by correspondence, completed and signed by the shareholder, will be sent in writing, in original at the registered office of the company or by e-mail at office@romcarbon.com bearing the extended electronic signature incorporated according to the Law no.455 / 2001, so that or registered as being received at least 48 hours prior to the OGMS/EGMS meetings. Regardless of the way of submitting the correspondence voter form, it must contain the clear written statement in capital letters "THE FORM OF VOTE BY CORRESPONDENCE FOR THE ORDINARY / EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS ON THE DATE OF _____".

The correspondent voting form shall be accompanied by the following documents: identity card copy in the case of natural persons shareholders; copy of the identity document of the representative / representative, certificate issued by the trade registry or any equivalent document issued by a competent authority of the state in which the shareholder is legally registered, attesting to the status of legal representative, presented in original or in copy according to the original, in the case of legal persons shareholders.

The documents certifying the legal representative of the legal entity shareholder will be issued no later than 3 months before the date of publication of the convocation of the GMS. Documents presented in a language other than English will be accompanied by the translation made by an authorized translator in English or Romanian. If the shareholder who has expressed the vote by correspondence participates personally or through a representative at the GMS, the vote by correspondence expressed for GMS is canceled.

In this case, the vote expressed in the personal meeting or by the representative shall be taken into consideration.

The correspondent voting form for the vote in the AGM submitted by a shareholder for which a credit institution provides custody services will be valid without the submission of any additional documents related to the respective shareholder if the voting form is drafted in accordance with the ASF Regulation no.5/2018, is signed by that shareholder and is accompanied by a statement on its own responsibility given by the legal representative of the credit institution, showing that: (i) the credit institution provides custody services for that shareholder; (ii) the correspondence voting form is signed by the shareholder and contains voting options identical to those mentioned by the shareholder through a SWIFT message received by the credit institution of that shareholder. When filling in the voting form by correspondence, the shareholders must take into account the possibility of completing /

updating the agenda, in which case these documents will be updated and made redundant.

One or more shareholders representing, individually or together, at least 5% of the share capital, have the right to enter points on the agenda of the General Shareholders' Meetings within 15 days from the date of publication of the convocation (provided that each point either accompanied by a justification or proposed draft decision to be adopted) and to propose draft decisions for the items included or proposed to be included on the agenda.

Proposals for the draft decision may be submitted in a closed envelope at the headquarters of the company in Buzau, str. Transilvaniei, no. 132, within 15 days from the date of publication of the convocation, or sent by e-mail with the extended electronic signature incorporated according to the Law no. 455/2001 regarding the electronic signature, by the same date and time at office@romcarbon.com with the written mention "WE PROPOSE NEW POINTS ON THE ORDER FOR THE ORDINARY / EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS ON THE DATE OF _____".

Each proposed new point must be accompanied by a justification or draft decision proposed for adoption at the GMS meeting. These proposals must be accompanied by a copy of an identity document in the case of natural persons shareholders; copy of the identity document of the representative / representative, certificate issued by the trade registry or any equivalent document issued by a competent authority of the state in which the shareholder is legally registered, attesting to the status of legal representative, presented in original or in copy according to the original, in the case of legal persons shareholders.

The documents certifying the legal representative of the legal entity shareholder will be issued no later than 3 months before the date of publication of the convocation of the GMS.

Each shareholder has the right to address, within 10 days from the date of publication of the convocation, questions regarding the items on the agenda according to ASF Regulation No. 5/2018. Questions can be submitted in writing at the company's headquarters or by e-mail with the extended electronic signature incorporated according to Law 455/2001 on electronic signature at office@romcarbon.com, mentioning the topic "FOR THE ORDINARY / EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF THE DATE DE _____".

Questions must be accompanied by a copy of the identity document in the case of natural persons shareholders; copy of the identity document of the representative / representative, certificate issued by the trade registry or any equivalent document issued by a competent authority of the state in which the shareholder is legally registered, attesting to the status of legal representative, presented in original or in copy according to the original, in the case of legal persons shareholders. The documents certifying the legal representative of the legal entity shareholder will be issued no later than 3 months before the date of publication of the convocation of the AGM.

The company will formulate a general answer for questions with the same content that will be made available on the company's website in question-response format.

At the date of convocation, the share capital of the company is 26,412,209.6 lei divided into 264,122,096 nominative shares, dematerialized, in nominal value of 0.10 lei, each share giving the right to one vote in the AGM session.

In the event of non-fulfillment of the conditions stipulated by the law and by the constitutive act for holding the General Meeting of Shareholders on the date set, the following meetings shall be convened for the next day, at the same place and at the same time, with the same agenda and for the shareholders registered on the same date reference.

Further information can be obtained by phone: 0238/711.155, int.130. In order to provide real time information to shareholders, ROMCARBON S.A. has created a special section, called Acquisition, on the www.romcarbon.com page, accessible and permanently updated.

The page is structured so as to contain all necessary information for securities holders: information on shareholders' general meetings, financial calendar, regular and current reports, dividends, corporate governance, etc.

Also, ROMCARBON S.A. has specialized internal structures for the relationship with investors and the relationship with its own shareholders. The persons appointed to keep in touch with investors and shareholders will periodically attend specialization courses.

I. CODE OF ETHICS

ROMCARBON S.A. Ethics Code of Ethics present the ethical rules of conduct that establish and regulate the corporate values, responsibilities, obligations and conduct of the organization and how it functions.

ROMCARBON S.A. Personnel Ethics Code of Ethics is a guide for employees within the Company and provides information on how they can solve ethical issues in business. The Code sets out the set of rules on which the Company has developed, rules of business ethics and how to prevent illicit and unlawful actions that may arise during the course of business within the Company. The code is binding and applies to all ROMCARBON S.A.

The Ethics Code is accepted by all employees of ROMCARBON S.A. and can be accessed at the company's headquarters or on its website - www.romcarbon.com/ Corporate Governance.

V. RELATIONS WITH THE ACTIONS AND INVESTORS

5.1. ROMCARBON S.A. ensure that appropriate and regular regular reports are maintained on all major events, including financial condition, performance, ownership and management. The company transmits and reports to the public the following reports:

- Information on the general shareholders' meetings (convening, the materials to be discussed, the manner of holding the meetings and the decisions taken);
- Information on the decisions of the Board of Directors.
- Reports of the Annual and Semestrial Administrative Council;
- Reports on the annual and half-yearly financial statements and financial reports for the first and third quarters of each financial year;
- Reports on privileged information, provided by art.114 paragraph (1) of the Law no.24 / 2017;
- Reports on the periodic information provided by Law no.24/2017
- Reports on the distribution of dividends or Reports drawn up by the directors of a company admitted to trading on a regulated market in accordance with the provisions of Article 82 of the Law no.24/2017
- Reports on information about any event that occurs in the Company's activity that may lead to a change in the price of the shares issued by it;
- Other corporate information.

The mentioned reports are sent to the Bucharest Stock Exchange, the Financial Supervision Authority, published in a national and local circulation newspaper, as the case may be, and posted on the Company's website at www.romcarbon.com

ROMCARBON S.A. develops and disseminates relevant periodic and continuous information in accordance with International Financial Reporting Standards (IFRS) and other environmental, social and governance reporting (ESG) environmental, social and governance standards.

ROMCARBON S.A. organizes meetings with financial analysts, brokers, investors and other market specialists whenever possible in order to present the semestrial and annual financial statements as financial elements relevant to the investment decision.

5.2. Annual financial communication calendar
Annually, by the end of January of each year, the Company sends to the Bucharest Stock Exchange and posts on its website the financial communication calendar for the current financial year.

VI. REGIME OF THE PRIVILEGED INFORMATION

6.1. Conflict of interests

Each C.A. will avoid any direct or indirect conflict of interest with the Company or any subsidiary controlled by it. Each administrator will inform the Board of Directors of conflicts of interest, in which he will refrain from debating and voting on the issues in question.

6.2. Transactions with people involved

It is forbidden to any person holding privileged information: use that information for the acquisition or alienation of, or the intent to acquire or alienate, on its own account or on behalf of a third party directly or indirectly, the financial instruments to which this information relates.

Recommend making transactions with securities of a third party, company if it has information that it suspects as Internal Information.

Disclose internal information for a purpose other than that of its tasks;

adopt behavior based on relevant information that is not routinely available and would be considered by a normal user as a failure to comply with the expected standard of behavior;
Spread information in any way that creates or is likely to create a false or wrong impression;
To adopt a behavior that creates a false or wrong impression of the demand, offer or price or value of the investments or which would be considered by a normal user as a behavior that would distort the market and as a breach of the expected standard of behavior;
Ask or encourage someone else to adopt one of the behaviors described above.
Engage in market manipulation activities

These obligations apply to any person who has privileged information in the circumstances in which those persons know or ought to know that that information is privileged. Each of the above mentioned persons shall ensure the avoidance of any direct or indirect conflict of interests with the company or any subsidiary controlled by it and shall inform the Board of Directors on conflicts of interest as they arise and will refrain from debating and voting on the issues in question, in accordance with the relevant legal provisions. In order to ensure the procedural fairness of transactions with the parties involved ("the transactions with oneself"), the Council used the following criteria:

- keeping CA or AGA's competence, as the case may be, to approve the most important transactions;
- asking for a prior opinion on the most important transactions by the internal control structures;
- recourse to independent experts specialized in various fields of activity;

The consequences of internal-transaction transactions or the consequences of leakage of information may be severe. Persons who violate the rules on performing internal or leaked information transactions may be required to reimburse the profit or loss resulting from such

transactions, pay the loss suffered by the person who has purchased securities from or who sold securities to the Insider, may be subjected to civil sanctions, criminal sanctions and may be sentenced to imprisonment. The company and / or supervisors of the person who violates the rules will also be subject to significant civil and criminal penalties.

Violations of this Regulation or rules on performing internal transactions or leakage of information through an Employee or through members of his or her family may subject the Employee to disciplinary action by the Company that may lead to the termination of the contract.

An insider who has knowledge of any violation of this Ordinance or any laws on performing internal information transactions or information leakage due to an Insider must report this violation to the management of the company. Following disclosure of the breach of the Code, the management of the company will determine whether it will report the breach of the competent public authority.

VII. CORPORATE INFORMATION REGIME

Administrators and directors will retain the confidentiality of documents and information received during their term of office.

The Board of Directors shall establish internal procedures for:

- the internal circuit and the disclosure to third parties of documents and information relating to the Company;
- using the information systems of the society, access to them and ensuring the security and confidentiality of documents produced by the company.

Within these procedures, a special focus is placed on the categories of information that may influence the evolution of the market price of the shares issued by the company.

VIII. SOCIAL RESPONSIBILITY

The company's social responsibility strategy is based on a set of principles that define its relationship with partners - employees, creditors, suppliers, clients, stakeholders, The management team of ROMCARBON S.A. believes that development is not possible

without the contribution of each employee as well as the company as a whole. The company aims, through an active CSR policy:

* to support and respect human rights, especially of their own employees. In this respect, the employees benefit from various programs of professional specialization / training, as well as permanent information on the evolution of the company (presentation of employees' representatives, respectively periodical analysis of the financial statements of the company). Within its own responsibilities, the company has taken the necessary measures to protect the security and health of employees, including for preventing professional risks of information and training, as well as for implementing the organization of labor protection and the means necessary for it. (eg periodic training, granting of personal protective equipment, work equipment, sanitary-sanitary materials, periodic medical check-up, etc.) S.C. ROMCARBON S.A. does not use child labor, does not engage in trafficking in human beings, nor does it encourage any of these ideas in any way. No physical punishment, mental or physical, verbal or any form of inhuman treatment is tolerated.

* to uphold the right to free association. The company respects the legal right of all staff to appoint representatives who negotiate on their behalf and for them in the periodic negotiations of the collective labor contract at the company level. Employees' representatives are provided with the protection of the law against any form of conditioning, constraint or limitation of the exercise of their functions.

* to contribute to the elimination of discrimination in employment, the exercise of the profession, the setting and granting of salary. Any direct or indirect discrimination against an employee based on gender, sexual orientation, genetic characteristics, age, nationality, race, color, ethnicity, religion, political option, social origin, disability, family status or responsibility, trade union membership or activity, is forbidden at Company level.

* to combat any form of corruption.

* to support educational activities. We maintain with conviction, both as a partner, and as a sponsor, projects and initiatives that have an educational purpose. Our actions are geared to protecting the environment and promoting ecology. Every year, on 5 June, we join local authorities (Buzau City Hall, Prefect Institution, Buzau Environment Agency, Buzau Environmental Guard) and together with Greentech S.A., Greenfiber International S.A., Greenweee International S.A. in Buzau, GreenLamp SA, we are involved in the campaigns on the occasion of the International Environment Day. By supporting these events, the message transmitted and the scale of these activities, SC ROMCARBON SA draws attention to environmental issues and aims to empower the members of the community in which they operate.

Also, within the "Other Week", SC ROMCARBON SA received the visit of the children of the 8th grade B of the School Nr. 1 "Captain Aviator Mircea T Badulescu". The visit of these children to the factories was a means of undertaking a citizen-based activity; an interactive activity of communication and communication, but especially an activity through which we chose to engage in the field of social responsibility, as a "good corporate citizen", constantly concerned by the community in which it operates.

The winter of 2012 was marked by extreme weather phenomena and large quantities of snow that departed over Romania, affecting tens of thousands of people, many of these inhabitants of the villages of Buzau County.

The company SC ROMCARBON SA has not remained indifferent to the drama these people are living and has organized itself in a humanitarian action to help those hard-pressed by the force of nature.

On the holiday threshold, SC Romcarbon SA received the folk ensemble "Balada" of the dance club from the Technical College Buzau. SC ROMCARBON SA Buzau maintains the tradition of the Winter Holidays and the specific customs, believes in their vigor and supports the initiatives - the largest or the smaller - that express the Romanian customs and ancient values.

* Support various social categories (deserving young people, sick or disabled people) through humanitarian actions that include donations and extreme assistance to help people in difficulty. The company was one of the founding members of the **GREENLIFE ASSOCIATION**.

The purpose of the ASSOCIATION is to represent, promote and sustain the employers' and professional interests of its members in relations with public authorities and other legal and physical persons, to strengthen their authority and social prestige and to act for the modernization and development of the field of protection the environment at the level of international standards and standards. Also, the ASSOCIATION aims to promote the spirit of human solidarity by organizing and sustaining humanitarian actions.

* to support sports activities in Buzau with financial aid. Romcarbon believes in "Mens sana in corpora sano" and invests in a social action that supports the community, one of the most popular sports facilities in Buzau city, "Club Yenki", a club that offers its clients 4 terrains tennis courts, as well as a football-tennis court. Here, the big and the little ones, you can either learn the secrets of tennis or improve their tactics. Known as the largest tennis club in Buzau, "Yenki Club" organizes periodic tournaments for both professionals and amateurs.

* to anticipate environmental issues and to promote environmental responsibility.

In this regard, ROMCARBON S.A. aims both at improving the quality of environmental factors and preserving biodiversity by promoting awareness of environmental and health issues.

ROMCARBON S.A. respecting environmental protection legislation, not being involved in litigation regarding breach of legislation in the field. Periodic review of compliance with legal, regulatory and other requirements to which the organization subscribes. ROMCARBON S.A. has implemented and certified an integrated quality management system - environment - occupational health and safety according to ISO 9001: 2008 standards;

ISO 14001: 2005; OHSAS 18001: 2007. The management system is certified by the SRAC Certification Body, with the following certificates:

ISO 9001: 2008 certificate no.→ 7083

ISO 14001: 2005 Certificate No. 2436→

OHSAS 1801: 2007 Certificate No. 1481→

Within ROMCARBON S.A. identifies all real and potential environmental, positive and negative environmental aspects including indirect issues generated by companies operating at company headquarters and affecting environmental performance. The identification of the environmental aspects is based on the systematic analysis of each process / subprocess (including their inputs and outputs) according to system procedure "PS 03 Environmental aspects" in situations of normal, abnormal (including start and stop) and emergency, accidents.

Under normal operating conditions, the company's activity does not have a significant impact on the environment. Following the identification and evaluation of environmental issues, management programs have been developed to improve the company's environmental performance.

In addition, environmental protection is an absolute priority, as ROMCARBON S.A. it definitely supports the development in Buzau of a "industry" that is increasingly proving that the economy and the environment can survive together without compromise - "Green Industry".

Based on the proven success of other investments by Romcarbon, but also on the support of Romcarbon investors, in mid-2012 we were able to set up a new profit center.

The "Renewable Components and Raw Materials" sector is the newest investment that bears the "Romcarbon" brand, the latter being born out of the need to assimilate a technology that integrates and closes the recycling of plastic waste. The total value of the investment in this sector amounts to 36,078,245.49 Lei.

Thus, the company completes its portfolio of activities by acquiring a technology that allows the following categories of products:

Recycled Raw Material - by incorporating this technology, Romcarbon aims to add value to various types of plastic waste by grinding, sorting and integrating it further into the production stream as a secondary raw material;

Components - a relatively new type of product on the Romanian market, a complex type of granules, resulting from the blend of polymers, virgin or regenerated (PP, PE, PS, ABS) with other materials such as additives, pigments, talc, glass fiber ; the resulting product has a wide range of applications, from the automotive industry to areas such as construction, packaging, electronics and toys or toys.

The connection between the two product classes is a third type of product: Components made by introducing into the formulation various percentages of reclaimed raw material. Our commitment is to become the main supplier of compounds in the Central and South Eastern European market by continuously developing our products and production capacities, pursuing innovation, quality, customer satisfaction and environmental care.

This is, in short, the activity of ROMCARBON SA, which, as a socially responsible company, aims not only to increase the satisfaction of employees, business partners and shareholders, but also to increase the efficiency of professional activity and the professional competence of human resources, including those existing at the community level. This Regulation will be reviewed and reviewed periodically by the Board of Directors.

Updated November 20, 2020