

S.C. ROMCARBON S.A.



Annual report under CNVM Regulation no. 1/2006

Report date: 29 / 04.30.2015

Reporting date: 31.12.2014

Name of the company SC ROMCARBON SA

Headquarters: Buzau, Str. Transylvania, no.132

Tel / fax: 0238/711155; 0238/710697

Unique registration code: RO 1158050

Registered business number: J10 / 83/1991

Subscribed and paid up share capital: 26,412,209.60 lei

Regulated market on which the securities issued are traded : Bucharest Stock Exchange.,
Standard Category

The main characteristics of the securities issued by the company : 264,122,096 nominative
shares, dematerialized, with a nominal value of 0.1 lei.

1. COMPANY COMMERCIAL ACTIVITY ANALYSIS

1.1.a) S.C. Romcarbon S.A. has the following main activities:

2221 Manufacture of plates, sheets, tubes and plastic profiles

2222 Manufacture of plastic packing

2223 Manufacture of plastics for construction

2229 Manufacture of other plastic products

2932 Manufacture of other parts and accessories for motor vehicles and their engines

3832 Recovery of sorted materials

3299 Other manufacturing.

1.1.b) S.C. Romcarbon S.A. was founded in 1952 under the name "Chemica".

SC Romcarbon S.A. was established under Law No. 15 and 31/1990, HG 1213/1990 as a result of
reorganization of Intreprinderii de Mase Plastice Buzau.

1.1.c) There were no significant merger or reorganization of the Company during the year ended.

1.1.d) The inputs of tangible assets in 2014 there were:

Category	Value
Construction	372,716 lei
Machinery and equipment	2,465,727 lei
Plants and equipment for measurement, control	74,391 lei

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Means of conveyance	399,126 lei
Items of furniture	39,299 lei
TOTAL	3,351,259 lei

The most important inputs of fixed assets were :

fixed assets name	Input value:	Section name
CONVERSION LINE FOLDING	526,517 lei	CP6 - PP
MIXING PLANT	491,618 lei	CP7 - compounds
LINE CONVERSION.	386,937 lei	CP6 - PP
BAGGING LINE	349,841 lei	CP7 - compounds
PSE MOLD	271,152 lei	CP5 - PSE
SHED STEFANESTI	175,309 lei	Administrative
ELECTROTRUCK	117,313 lei	CP7 - Compounds
CONCRETE PLATFORM (TRANSPORT AREA)	106,859 lei	Administrative

the outputs of tangible assets from the company in 2014 are shown in the table below:

Active	Total, of which:	Sales	Rescission
ground	0	0	0
Construction	155	0	155
Machinery and equipment	177,746	85,158	92,588
Means of conveyance	240,991	4,783	236,207
Furniture and office equipment	7,764		7,764
Total	426,657	89,941	336,715

1.1.1 ELEMENTS OF GENERAL ASSESSMENT:

a)	PROFIT / LOSS	36,213,236 lei
b)	TURNOVER	160,453,258 lei
c)	EXPORT	23,096,922 lei
d)	TOTAL EXPENDITURE	169,164,390 lei

e) Market share (%) in Romania:

Group of products	% the domestic market (estimated)
AUTO FILTERS. ~CP1	3%
ACTIVATED CHARCOAL. ~CP2	3%
RESPIRATORY PROTECTIVE EQUIPMENT. ~CP2	32%
PROCESSED POLYETHYLENE ~CP3	5%
PROCESSED PVC (PVC PIPE). ~CP4	0.5%
POLYSTYRENE MANUFACTURED. ~CP5	8%
PROCESSED POLYPROPYLENE ~CP6	16%



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(PP BAGS).

f) availability in the account and cash: 9,560,212 lei

1.1.2 Evaluation of the technical level

SC Romcarbon S.A. Buzau activity profile is to get polymer products, filters and filter elements, protective materials, active charcoal needed in food, chemical and pharmaceutical industry, plastic waste recovery, regranulation and manufacture of compounds. In 2014, production activity was carried out in 7 profit centers as follows.:

- **Profit Center No.1** with Section filters that makes air, oil and fuel filters for cars, trucks and tractors, railway equipment and industrial installations;
- **Profit Center No.2 with two workshops :**
 - Workshop of Protection materials that produce personal protective respiratory equipment - masks and cartridges - for chemical industry, mining industry , for the Ministry of National Defense , civil defense and collective protective equipment.
 - Workshop of activated charcoal that manufactures charcoal - semi finished necessary for protective equipment, as well as coal used in the oil industry, food, chemical and pharmaceutical industries.
- **Profit Center No.3** with Polyethylene workshop where there are made different sizes of polyethylene packaging (little bags, bags, pouches, by extrusion, printing, welding), general purpose film, foil for greenhouse, thermo shrink foil and photopolymer cliches..
- **Profit Center. no. 4 with two sectors:**
 - PVC pipes Sector is engaged in the production of pipes - as semi -finished.
 - PVC support section, where there are made pressured PVC supports used as road signs.
- **Profit Center No.5** with expanded Polystyrene Workshop , consisting of extrusion and thermoforming sectors, where there are made casseroles for food industry and products for constructions as plates ~~slabs~~ and rolls.
- **Profit Center. no. 6 has 2 workshops** - Polypropylene - where it is done polypropylene products : laminated and non-laminated woven bags in different sizes for packaging products in agriculture, food and chemical industry.
- **Profit center No.7** - has as activity object the treating of waste of plastics by separating recyclable fractions, grinding, machining, filtering separate fractions. The finished products of this center are plastics as grinding regulations or granules, compounds and composites.

The company has opened the following working points:

- Working point - Bucharest - the main activity is commercial operations and management
- Working point - Stefanesti - with main activity: assets rental
- Working point - Iasi - with main activity: assets rental

The main groups of products and their share in the total turnover:

Group of products	Year 2012	Year 2013	Year 2014
CP1~auto and industrial filters,	3.03%	3.64%	2.62%
CP2~ respiratory protective equipment and active charcoal.	2.20%	1.65%	1.70%
CP3~ Processed Polyethylene	14.22%	12.17%	11.81%
CP4~ processed PVC	0.25%	0.16%	0.15%
CP5~ processed polystyrene	13.97%	13.92%	16.54%


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CP6~ processed polypropylene	26.91%	25.56%	23.49%
CP7~ waste recycling.	0.22%	0.00%	0.00%
CP7~Compounds	0.24%	2.66%	5.10%
TOTAL	61.04%	59.76%	61.40%

The remainder up to 100% is income from rental, from the sale of goods and services, etc.

In 2014, it was made the extension of the range of industrial filters and filters for rolling equipment ~~stock~~, so the product portfolio increased by a total of 8 items. In the air filters area there were included in ~~for a~~ portfolio over 20 items and cabin filters range increased by 23 new models.

There have also been redesigned 4 types of PSE casserole and there were made 22 recipes of compounds and composites from recycled plastic fractions with added fillers.

The development work is directed on new products and technologies in parallel with the development of those existing :

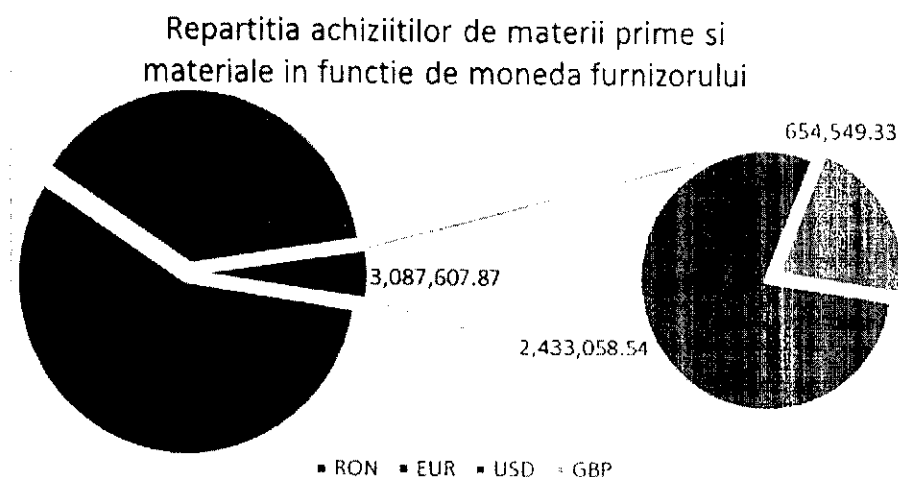
- Improving of the technology of thermoforming packaging in the sector of expanded polystyrene;
- Modernization of PP section;
- Improving technology for the items of the filters sector;
- Improving the quality / purity of waste recycled plastics;

For 2015 it is envisaged the modernization of the PE department and expanding the range of products from recycled or virgin polyethylene through the acquisition of new equipment.

1.1.3. Evaluation of technical-material supply activity .

Portfolio of raw material suppliers for Romcarbon is formed in 43% of companies on the foreign market and the difference is represented by firms from Romania. Working with these companies is developed on the basis of commercial contracts or orders for products as confirmed by them. The largest share in the value of acquisitions of raw materials have polymer granules (polypropylene, polyethylene, polystyrene), which are provided by companies that we have developed partnerships over time.

For other raw materials the suppliers portfolio is provided by distributors in Romania or external. For each type of raw material exists a database on suppliers and constantly operates at least three companies, the purchase being made in certain situations based on open auction , internally organized. Depending on the supplier's currency in 2014 the acquisitions of raw materials and materials had the following structure:



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1.1.4. Evaluation of the sale activity

Evolution of sales in the years 2012-2014 is shown in the following table:

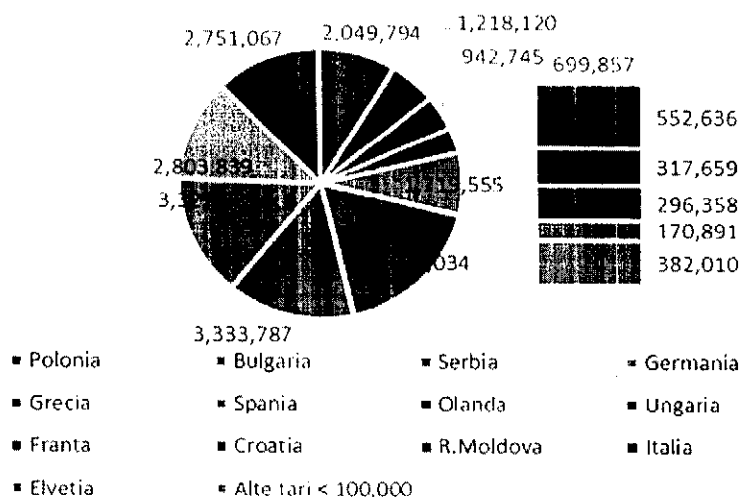
Group of products	2012		2013		2014		2014 vs. 2013
	Value	% in total	Value	% in total	Value	% in total	
CP1 ~ automotive and industrial filters	4,110,728	4.97%	5,180,012	6.09%	4,205,621	4.27%	▼ -18.81%
CP2 ~ airway protection materials and charcoal	2,982,079	3.60%	2,344,419	2.75%	2,730,701	2.77%	▲ 16.48%
CP3 ~ Polyethylene	19,274,521	23.30%	17,337,902	20.37%	18,945,893	19.23%	▲ 9.27%
CP4. ~ PVC processed	340,391	0.41%	230,309	0.27%	236,542	0.24%	▲ 2.71%
CP5 ~ Polystyrene processed	18,928,638	22.88%	19,829,284	23.30%	26,536,242	26.94%	▲ 33.82%
CP6. ~ Polypropylene processed	36,471,045	44.09%	36,398,513	42.77%	37,683,735	38.25%	▲ 3.53%
CP7-Recycling	300,583	0.36%	0	0.00%	0	0.00%	▼ n/a
CP7-made compounds	318,889	0.39%	3,782,286	4.44%	8,176,591	8.30%	▲ 116.18%
TOTAL	82,726,874	100.00%	85,102,725	100.00%	98,515,325	100.00%	▲ 15.76%

Evolution of turnover resulting from the sale of finished products according to its distribution on the internal / external is presented below.

Turnover	2012		2013		2014	
	Value	%	Value	%	Value	%
Internal	62,208,347	75.20%	65,585,236	77.07%	75,646,136	76.79%
External	20,518,527	24.80%	19,517,489	22.93%	22,869,188	23.21%
Total	82,726,874	100.00%	85,102,725	100.00%	98,515,325	100.00%

Structure of turnover resulting from the sale of finished products in 2014 based on foreign sales markets is presented below .

Tara	%
Poland	17.59%
Bulgaria	14.58%
Serbia	14.55%
Germany	12.26%
Greece	12.03%
Spain	8.96%
Netherlands	5.33%
Hungary	4.12%
France	3.06%
Croatia	2.42%
Moldova	1.39%
Italy	1.30%
Switzerland	0.75%
Other countries < 100,000	1.67%
Total	100.00%



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1) AUTO AND INDUSTRIAL FILTERS

• The market

The main market is domestic in 72% and foreign markets at a rate of 28%. 77% of total sales of this profit center are the sales of industrial filters, filters for agricultural machines, vacuum filters, filters for motors locomotives, ships, and 33% sales of automotive filters. The sales process of filters are made both directly and through distributors for ~~to~~ Romcarbon. The main objectives in the marketing and sales process are the market development of auto filters through increasing the sales by large domestic and foreign distributors of spare parts and diversification of auto filters range for most cars sold in the domestic market also the increasing of sales to the car manufacturers under their own brand. Also it is aimed the increasing of exports of automotive and industrial filters.

Medium and long term prospects :

- Increased sales volume of filters for cars produced in Romania by increasing sales to major auto parts marketing networks but also to Existing distributors of Romcarbon;
- Increased sales volume of filters for import vehicles;
- Increased sales volume by potential collaborations with major manufacturers of auto filters but also by famous European companies, retail companies that sell products under its own brand;
- Identifying new market requirements and uptake of new filters, industrial filters for motors locomotives, railcars, ships and boats, filters for agricultural machines, vacuum cleaners, etc.

Competition: In terms of the brand:

- Large manufacturers of automotive filters as MANN, MAHLE, BOSCH have the advantage of owning big budget marketing departments but also strong research – development departments able to offer the full range of air, fuel and oil filters;
- low-cost brands that invade the European market through a single competitive advantage, namely very low price.

2) Activated charcoal and protection materials

a) The market

ROMCARBON S.A. Buzau is the sole producer in Romania of charcoal and respiratory protection equipment. In 2014 the main market was the domestic market. Customers of this product groups are companies from the chemical industry, mining, environmental protection, defense and protection. These products have been sold by ROMCARBON S.A. directly to the final consumer but also by different companies distributing safety equipment and online stores.

Medium and long term perspectives

- b) In the next period is not expected sales growth as more chemicals factories are into insolvency, reduced activity or they were closed. Also, mining activity declined each year and there are not any prospects of change of this state of things. The emergence of new activities of recycling , wastewater purification, gas and others led to the emergence of new activities but not proved to be long (green lagoons).

c) Competition :

The main competitors are distributors of equivalent products from Italy, Spain, Germany, China, etc.

3) Processed Polyethylene

a) main market

Polyethylene products are sold on 89% domestic market and 11% in foreign market.

Polyethylene products market shows a high degree of dispersion of demand, there are a large number of

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customers that pack food or non-food products by thermoshrink or without thermoshrink, not far being a market with a single customer or group of customers to dictate purchase price. The price of this type of product is formed in the market, free, due to the process of supply and demand. Year 2014 was a year with increases in values of 9% and in quantitative value of 20%. The difference between quantity and value growth is explained by hiring more commands on recycled material where the sale price is lower than the virgin material.

b) Competition

S.C. ROMCARBON S.A. kept up, in general, with competition that, in this field was only the internal, adapting to customer requirements and applying competitive price, reasonably payment terms and fast delivery conditions.

Polyethylene products market has suffered an increase in demand due to increased orders for FFS bagging film and at the film for general use.

4) PROCESSED PVC

MAIN MARKET

In 2014, the sales of recycled PVC supports for road signs focused entirely on domestic market where they were sold with 56% more than in 2013 due to the newly opened road infrastructure works in the country.

5) PROCESSING POLYSTYRENE

a) Main market

➤ **Expanded polystyrene trays (standard and catering).**

According to the data from the National Statistics Institute, imports of polystyrene packaging represents over 80% of the market in Romania. Because there are only two domestic producers, INS could not provide accurate information on the domestic market to achieve market share relating to these products, given the confidentiality rule in these cases.

➤ **Extruded polystyrene plates to isolate floors.**

According to data from the National Statistics Institute on imports of this product; Romcarbon market share is below 20%. The main market is the domestic one. Disposal of this product range is achieved both through national distributors and directly to end consumers.

The distribution of sales in 2014 was of 80% on domestic market and 20% on foreign market. The share of export sales registered an increase of 120% compared to 2013, especially in the markets of Bulgaria, the Czech Republic and Croatia. The main markets: Bulgaria, Serbia, Czech Republic, Hungary, Croatia, Israel.

b) Competition :

The main competitors for polystyrene packaging are: British Foam Group - local producer, and other European manufacturers such as Linpac, Sirapgema, Coopbox.

For boards, the main competitors are manufacturers in Poland (DECORA,VTM) and Germany (SELITAC).

6) PROCESSED POLYPROPYLENE

In 2014 it remained about the same structure in terms of belonging market: 64% on domestic market and 36% on foreign market, in the context that total turnover increased by 4% in terms of value, compared to that achieved 2013.

a) The market

The field of packaging is the most important in the production of plastics increasing every year. And therefore competition is getting stronger, the price of the finished product having a very high importance.

a.1) Internal market

S.C. ROMCARBON S.A. has the largest production capacity in Romania for small bags made of polypropylene and holds the largest market share of around 16%. Sales activities are carried out through distributors and directly to companies working in the bakery industry, chemical industry, sugar industry,

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salt-processing industry and the manufacturers of animal feed. Note: To determine the domestic market share of Romcarbon for small polypropylene bags have been used for 2010 data provided by INS in terms of the total amount of bags and delivered domestically by all local producers to which was added a 15% share to of the total market of importers contribution. We have no reason to believe that in 2014 significantly changed our domestic market share of polypropylene packaging .

a.2) external market

We have no data to help us determine the foreign market share but we intend to increase the share of sales in this market in the first half of the year, when domestic demand is affected by agricultural season period.

On the external market our clients are mainly large distributors in Serbia, Poland, Greece, Netherlands, Spain, Hungary, Germany, Latvia, France, Croatia .

b) Competition.

On the domestic market for polypropylene small bags we are meeting with two other major manufacturers and with many importers. Price is formed on the basis of supply and demand continually monitoring ed both customer satisfaction and at the same time maintaining a margin of profitability.

Major Dependencies. There are no significant customers which, in terms of turnover developed with them represent a risk factor for society.

7) COMPOUNDS

a) main market

Division of Plastics compounds is the latest investment of ROMCARBON SA and completes its long such experience in processing plastics. The new profit center (compounds) began production in August 2012. So 2013 was the first full year of activity. The sales of specific product for this profit center experienced a dynamic development, nearly doubling its value from one quarter to another. By adding and mixing different additives and fillers in polymers are obtained improved mechanical properties, resistance to UV radiation, flame resistance, shock resistance etc. The center is equipped with the latest technology from some of the world leaders in the field of extrusion equipment and laboratory equipment. Current production capacity of the factory of compounds is about 10,000 tons/ year.

The product range consists of two main categories:

- Plastics made compounds of virgin polymers

At this time, similar products in production are based on:

- Polypropylene (PP reinforced with calcium carbonate in various proportions and colors, PP reinforced with talc in various proportions and colors, glass fiber reinforced PP)
- Polyamide (PA6 or PA66 reinforced with fiberglass in various proportions, natural or black)

For future aims diversification of products range made of compounds based on technical polymers (ABS, PC, PBT etc.)

Our clients are plastics processors who produce articles for various applications in the automotive industry, electrical and appliances industry, furniture, construction, pipes, packaging etc.

The potential of this market segment is determined by the presence in Romania of two major automobile companies, Dacia Renault and Ford, and consequently their subcontractors that provide various plastic injection molded parts. In 2014, 11% of the turnover of this center was made on the external market. Also in the electrics and appliances field in Romania are present or have announced investments in production capacity names well known in the field. With some of them have already started testing and approval procedures.

- Compounds and re-granulated recycled polymers.

Recycled polymers represent a cost saving alternative to virgin raw materials. Depending on the material, Romcarbon installed technology is able to provide its clients both regranulated with

exclusive content of recycled polymers, combinations in different proportions of virgin polymers with recycled polymers, and to provide optimized products from the combination of recycled polymers reinforced with various materials. (calcium carbonate, talc, etc.).

At this time, similar products in this subcategory are

- Polypropylene regranulated.
- Polypropylene reinforced with calcium carbonate regranulated;
- Polypropylene reinforced with talc regranulated;
- Polystyrene regranulated different colors
- ABS regranulated

b) Competition

For virgin made compounds competition is mainly represented by imports, but there are small local production capacities.

For materials of recycled polymers for product segments with no special features competition is represented by local manufacturers of regranulated. But for recycled materials reinforced with various additives, competition is represented by foreign manufacturers .

1.1.5 Evaluation of the company's personnel issues.

The number of SC Romcarbon SA employees at 31.12.2014 was 801, grouped according to the level of training as follows:

Number of staff, total, of which:	801
• higher education	109
• post-secondary school	11
• technical school for foreman	17
• secondary education	341
• vocational school	193
• occupational qualification	68
• school	62

The relationships between managers and employees are relations of subordination according to the company's its organizational chart, job descriptions and individual labor contract.

Each employee is directly subordinate to its manager in direct line. The chiefs are responsible for the legality and validity of the dispositions given, and the consequences of these dispositions. There were no conflicts in relationships between managers and employees.

The employees are not organized in a trade union structure.

1.1.6 Assessment concerning the impact of core activity on the environment.

S.C. ROMCARBON S.A. holds the new environmental permit in accordance with the new NACE codes Classification of Activities of National Economy, Revised Edition, NACE Rev. 2 according to INS Order 337/2007, published in Official Gazette of Romania, Part I, no. 293 / 03.05.2007.

S.C. ROMCARBON S.A. comply with environmental protection legislation, not being involved in litigation regarding infringement legislation. Periodically evaluates compliance with laws, regulations and other requirements to which the organization subscribes.

S.C. ROMCARBON S.A. has implemented and certified an integrated quality management system - environment - occupational health and safety standards ISO 9001: 2008; ISO 14001: 2005, OHSAS 18001: 2007, applicable to the design and manufacture of personal protective equipment airway - SRAC certificate.

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Within SC ROMCARBON are identified all actual and potential environmental issues, positive and negative, including indirect aspects, generated by companies that are operating on the premises ROMCARBON and affect environmental performance. Identification of environmental issues is based on systematic analysis of each process / subprocess (including their inputs and outputs) according to the procedure of system "PS 03 Environmental aspects" in situations of normal operation, abnormal (including starting and stopping) and emergency, accident. In normal operating conditions the company's activity does not cause significant environmental impacts. Following the identification and evaluation of environmental aspects were developed management programs to improve the environmental performance of the company.

1.1.7. Evaluation of research and development activity.

The research - development activity carried out by the Department of Technical and Investment in collaboration with internal departments involved and with agreed service providers, include certification of products regulated in accordance with national and European legislation.

In 2014 certifications were obtained for Workshop for Protection Materials (Profit Center No.2) and were obtained certification by AFER, for a total of five filters (Profit Center 1).

Also research and development included the following activities:

- Recertification of packaging manufactured from polypropylene, polyethylene and polystyrene in terms of compatibility with food, in accordance with regulations in force;
- Obtaining annual health certificate required for expanded polystyrene packaging for export to non-EU countries;
- Obtaining certification for polypropylene bags on the transport of dangerous goods;
- Development of new products and technologies while developing existing ones;
- Acquisition of new technological equipment in order to increase labor productivity and product quality;
- Updating technical documentation, engineering and inspection sector expanded polystyrene products and waste treatment.

Research-development related costs in 2014 were 593,488 lei, and for 2015 were estimated at a level of 606 894 lei.

1.1.8. Evaluation of company activity regarding risk management.

Given the global financial and economic crisis, SC Romcarbon SA had to adapt to new conditions and constraints coming from the market facing with these risks:

Market risk

In 2014 the company recorded a total turnover increase by 12.66% to 160,453,258 lei. Sales of finished products increased by 15.76%, the largest increase, with 6,706,958 lei (33.82%) was recorded by product group processed polystyrene.

Products produced by Romcarbon, whose use can be found in food industry and agriculture represents approximately 85% of turnover from the sale of finished products.

The main market for Romcarbon product sale is the domestic market, turnover related to the main activity (revenues from sales of finished products) obtained in Romania had a share of 77% in 2014, about the same percentage was recorded in 2013.

The client portfolio for the production activity of the company is diversified, there is no clear dependence on certain customers. However, for the activity of sale of goods SC Romcarbon SA has two clients (Kasakrom Chemiclas LTD. and Livingjumbo Industry SA) which in 2014 had a turnover representing 17% and 16% of

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total turnover. Also sales to Livingjumbo Industry SA in 2014 included the sales of finished products, also and production facilities rentals and income from other activities, which accounted for 4% of turnover.

Currency risk

Currency exposure of SC Romcarbon SA is generated mainly by the loans denominated in euro. As at 31.12.2014 the balance of this loan was EUR 12,860,912. In 2014 the loss generated by the fluctuation of foreign currencies rate was rather insignificant, only 52,983 lei. Cash flow in foreign currency in 2014 has the following structure:

Element	EURO	USD	GBP
Proceeds from external customers	€ 5,160,961	\$ 6,708	£ -
Jobs credit	€ 9,893,173	\$ -	£ -
Other foreign currency receipts	€ 7,937,544	\$ -	£ -
Payments to foreign suppliers of raw materials and machinery	€ 9,063,991	\$ 2,803,693	£ 119,836
Refunds loans, installments, interest, bank charges	€ 11,804,935	\$ -	£ -
Other foreign currency payments	€ 7,130,770	\$ 4,298	£ -
Net Cash Flow	-€ 5,008,019	\$ -2,801,283	-£ 119,836

Liquidity risk

Current liquidity of SC Romcarbon SA (calculated as the ratio between current assets and current debts) grew from 0.55 in 2013 to 0.77 in 2014.

Cash flow risk

SC Romcarbon SA is not exposed to a high risk in terms of cash flow, cash management is very rigorous; by forecasting cash inflows and outflows over a period of three months and daily tracking performance of this projection, surplus cash is placed in term deposits, aiming at getting the best interest rates on the market. Regarding loans to finance production activity, they are contracted for a period of 12 months with the possibility of extending the due date for a similar period, and in this sense are not anticipated higher cash outflow during the year 2014.

1.1.9. Elements of perspective on the company's activities.

a) Presentation and analysis of trends, items, events or uncertainty factors that affect or could affect the company's liquidity compared to the same period last year..

For 2015, the company budgeted income and expenditure to achieve the following financial indicators:

- A total turnover of 182,354,721 lei (up 14% compared to 2014) from which of the turnover related to basic activity is budgeted at the level of 119,173,767 lei, up 21% compared to 2014.

- Obtaining an operating profit of 3,707,599 lei with 17% higher than in 2014 and a financial profit of 1,998,572 lei consisting of shares held in subsidiaries within the group;

b) Presentation and analysis of the effects of capital spending, current or anticipated on the company's financial situation compared to the same period last year.

The main inputs of capital assets are set out in paragraph 1.1.d.

c) Presentation and analysis of events, transactions economic changes that significantly affect revenues from the base activity.

There were no major events influencing recorded revenues from the base activity.

2. TANGIBLE ASSETS OF THE COMPANY

2.1. S.C. Romcarbon S.A. Buzau owns :

- land and industrial and civil construction located in the municipality of Buzau, Transilvania Street no. 132, with a total area of 151,453 square meters of which built area of 60.418,55 square meters;
- land and industrial and civil construction located in Transilvania Street no. 132 - the total area of 22,830 square meters of which 1,053 square meters built area.
- land located in town of Buzau - railway - a total area of 663 sqm.

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- land and commercial space located in Buzau city, Unirii Street, total area of 287 square meters of which 287 square meters built area;
- land and industrial buildings located in town of Buzau, Zone B, capture water - total area of 13.8421 square meters, of which built area of 305 sqm;
- land located in town of Buzau, Buzau North in total area of 11,525 square meters;
- land located in town of Buzau, Fundatura Uzinei , a total area of 242 square meters;
- land and civil construction located in town of Buzau, str. Orizontului, a total area of 419 sqm, built area of 109.19 square meters;
- land and industrial buildings located in Iasi, str. Calea Chisinau, no. 29 total area of 92,555 sqm, built area of 24792.02 square meters;
- land in built-up area Stefanesti de Jos - total area of 12,774 square meters, of which built area of 1019.30 square meters;

The main production facilities:

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I.1.) The main building used for production and storage services :

- Filter housings stamps dies hall with an area of 2497 square meters, built of prefabricated foundation type glass columns, beams precast concrete, masonry brick on concrete foundation;
- Band filters hall - 1,793 sqm building area of prefabricated foundation pillars of glass type with precast concrete beams, brick masonry and glass, the foundation of reinforced concrete roof;
- Protective materials hall - area 1,405 sqm prefabricated foundation pillars of glass type, prefabricated reinforced concrete beams, brick masonry and glass reinforced concrete roof;
- Active charcoal Hall 1 - area of 639 sqm built in reinforced concrete foundation, brick walls, concrete roof;
- Active charcoal Hall 2 - area of 1,803 square meters, built of prefabricated foundation pillars of glass type prefabricated reinforced concrete beams, brick masonry on concrete foundation;
- Polyethylene Polypropylene Hall - an area of 11,506 square meters, built of prefabricated foundation pillars glass type with precast concrete beams, brick masonry and reinforced concrete foundation, reinforced concrete slab;
- Production hall + expansion and modernization of EU funds (Compounds Hall) - total area of 4106 square meters of prefabricated foundation pillars of glass type with precast concrete beams, brick masonry and glass, the foundation of reinforced concrete roof in which the extent of 1806 sqm - hall with glass type foundation, metal poles and steel structure; Tristram wall panels 6 cm, aluminum joinery and double glazing and roof panels Tristram 8 cm floor made of concrete and reinforcing mesh with a mesh of 100 * 100 * 8 mm quartz elicoptrizat and treatment resistance to wear and dust ; access to the premises is by six industrial doors Sectional with electric drive; related facilities have been fully restored;
- Polystyrene hall + Warehouse - an area of 4367 square meters, built of prefabricated foundation pillars of glass type precast concrete beams, brick walls, glass panels and three-layer, reinforced concrete floor and roof panels Tristram;
- PSE mill hall and warehouse area of 577 sqm built on reinforced concrete foundation, brick walls, concrete roof;
- Wiring Hall 1 -Surface 415 sqm built on reinforced concrete foundation, brick walls, concrete floor;
- Laboratory - area 642 sqm, built on concrete foundation, brick masonry, roof;
- Compressor hall with an area of 396 sqm, built on the foundation of reinforced concrete, brick walls, concrete slab, of which 276.5 sq rent;

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- Deposit filters - area of 1,144 square meters, built on the foundation of reinforced concrete, reinforced concrete walls, prefabricated roof;
- Administrative building - area 361 sqm, built on the foundation of reinforced concrete, brick masonry, reinforced concrete roof slab;
- hall - an area of 1693 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation of reinforced concrete roof, of which 443 sq rent;
- hall with an area of 1,034 square meters, built of prefabricated foundation pillars of glass type precast concrete beams, brick masonry, roof prefabricated concrete;
- hall - area of 1,653 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof;

I.2.) Rented buildings:

- Hall area of 717 sqm built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;
- hall - an area of 3035 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof;
- hall - an area of 2718 square meters, prefabricated foundation pillars of glass type precast concrete beams, brick masonry and glass, the concrete foundation concrete roof;
- Wiring Hall 2 - area of 479 sqm built on reinforced concrete foundation, brick walls, floor of corrugated sheets;

II.) WORK POINT IASI

ACTIVE 1

- Mechanical workshop 1 - area of 6227 square meters of reinforced concrete foundation construction on the structure of concrete pillars, brick masonry, concrete floor;
- Mechanical pavilion 1 - area of 472 sqm construction on reinforced concrete foundation, structure of concrete pillars, brick masonry;
- Warehouse - area of 1421 square meters of reinforced concrete foundation construction on the structure of concrete pillars, brick masonry, concrete floor;

ACTIVE 2

- Oxygen plant hall - 302 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;
- compressor and mechanical hall - 236 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, concrete floor;
- wastewater treatment plant building - area 774 sqm construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;
- recycled water pump station - 444 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;

ACTIVE 4

- auto maintenance workshop - area of 472 sqm built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ACTIVE 5

- fire fighting station building - 607 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, brick masonry;

ACTIVE 6

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- Telephone exchanges building - area of 472 sqm construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;

ACTIVE 8

- administrative building - construction area of 1906 square meters on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;

ACTIVE 10

- color preparation building - area of 1935 square meters of reinforced concrete foundation construction on the structure of concrete pillars, brick masonry, concrete floor;
- carbon black hall - 196 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, concrete floor;

ACTIVE 11

- hall workshop + office - 709 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor;

ACTIVE 14

- distillation hall area 164 sqm construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ACTIVE 15

- Mechanical washing + drying hall - 419 sqm surface construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ACTIVE 17

- warehouse building - construction area of 3216 square meters on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ACTIVE 18.

- Fiber pavilion 1 body A - area of 675 sqm built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ACTIVE 19

- Fiber pavilion 1 body B - area of 1,076 sqm built on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

ACTIVE 20

- SRA hall - area of 280.89 sqm construction on reinforced concrete foundation, structure of concrete pillars, brick masonry, concrete floor ;

At the work point in Iasi, SC Romcarbon SA does not perform production activity, but some of these buildings and constructions have been rearranged for renting.

III.) WORK POINT STEFANESTII DE JOS

- storage hall - 263 sqm area, foundation type glass - metal poles, walls and roof panels Tristram;
- type shed hall - 753 sqm area, foundation type glass - pillars and steel structure, roof sheets;

2.2 Part of the production capacities have a long standing and a degree of wear of between 15 -50%.

These include activated carbon production plant, part of plants: to obtain filters, protective materials, the polyethylene and polypropylene processed.

2.3 S.C. Romcarbon S.A. Buzau holds ownership to all tangible assets.

3. SECURITIES MARKET ISSUED BY THE COMPANY

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3.1 Company shares are traded on the Bucharest Stock Exchange SA, Section Equities, Standard category.

In order to ensure transparency in the capital market and a permanent information both for shareholders and potential investors in the Extraordinary General Meeting of Shareholders dated 20.11.2007, the shareholders decided admission to trading of the company on BSE, Equities Section, Category II. At the hearing dated 11.03.2008, 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 administered by SC Bucharest Stock Exchange S. A. of the shares issued by SC ROMCARBON S.A.

The main characteristics of the securities issued by the company: 264,122,096 shares, dematerialized, with a nominal value of 0.1 lei.

3.2 The total amount of dividends due in the last 3 financial years :

2012 – 1,601,210.00 lei

2013 – 1,003,664.00 lei

2014 - according to approval AGOA from 29/30.04.2015

3.3 The Company has not undertaken activities to acquire own shares.

In the Extraordinary General Meeting of Shareholders dated 27.04.2012 has been decided the acquisition by the company on the stock market, of its own shares, depending on its available cash (in terms of art. 103¹ d), followed by their cancellation (in terms of art and 103¹ 207 para. 1 letter c of Law 31/1990), in the following conditions: **maximum number of shares to be purchased** : 26,412,209 shares, representing 10% of the company's shares : **purchase price**: minimum price 0.1 lei / share - maximum price 0.25 lei / share; **Maximum duration for running the acquisition operation**: 18 months after publication of the decision approving the operation of acquiring in the Official Gazette, Part IV-A . **The purpose of this acquisition operation is to reduce the company's share capital.**

Until the date of this annual report, the company did not proceed to buyback its own shares as approved EGM of 27.04.2012.

3.4 If company has branches, specifying the number and nominal value of shares issued by the parent company owned subsidiaries.

Not applicable.

3.5 S.C. Romcarbon SA did not issue bonds or other debt securities in 2014.

4. MANAGEMENT COMPANY

4.1. Managers of the company :

a) The Board of Directors, following the OGMS Decision of 05.02.2008, the OGMS Decision of 01.11.2010, respectively OGMS Decision of 05.01.2012 :

Hung Ching Ling –Chairman of the Board starting on 05.01.2012, for a term of four years, expiring on 02.04.2016, appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated 05.01.2012, 46 years old ;

Simionescu Dan – Deputy Chairman of the Board starting with 05.01.2012, for a term of four years, expiring on 02.04.2016, appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated 05.01.2012, 63 years.;

Wang Yi Hao – Member of Board starting with 05.01.2012, for a term of four years, expiring on 02.04.2016, appointed on Ordinary General Meeting of Shareholders decision of SC ROMCARBON SA dated 05.01.2012, 29 years old; b) Not applicable.

c) Participation of administrators to of share capital of SC Romcarbon SA, at the reference date 31.12.2014:

Hung Ching Ling- 1,368 shares

Wang Yi Hao - 0 shares

Simionescu Dan -493,328 shares

d) List of affiliated persons on 31.12.2014 the Company:

d.1. Legal entities in which SC Romcarbon S.A. owned, on 31.12.2014, directly, at least 25% holdings :

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Society	Total number of shares	nominal value (lei)	Share capital (lei)	No .of shares held	Value of the acquisition / investment	Percentage of ownership (%)
RECYPLAT LTD CIPRU	26,000	4.3521	113,154	26,000	20,857,287	100.0000%
ROMCARBON DEUTSCHLAND GmbH			110,138		110,138	100.0000%
RC ENERGO INSTALL SRL	200	10	2,000	199	1,990	99.5000%
INFO TECH SOLUTIONS SRL	200	10	2,000	198	1,980	99.0000%
LIVINGJUMBO INDUSTRY SA	200	4,032	806,400	198	1,639,232	99.0000%
TOTAL COMERCIAL MANAGEMENT SRL	20	10	200	19	190	95.0000%
TAIPEI CIMEO SRL	95,360	10	953,600	57,216	491,040	60.0000%
POLYMASTERS CHEMICALS SA	133,000	1	133,000	79,800	79,800	60.0000%
GREENSORT RECYCLING SRL	4,000	10	40,000	2,040	20,400	51.0000%
YENKI SRL	32,800	10	328,000	10,934	100,000	33.3354%
ASOCIATIA ECOLOGICA GREENLIFE (Non-Profit Organization)				1,200	400	33.3333%
ECO PACK MANAGEMENT SA	144,600	10	1,446,000	36,670	586,625	25.3596%

d.2. Legal entities in which SC Romcarbon S.A. , owned at 31.12.2014, indirectly; minimum holdings of 25%:

- Grinfield Ucraina- 62.62%
- Grinruh Ucraina- 62.62%;
- Romgreen Universal Limited Cipru – 25%;

d.3. Legal persons who have in SC ROMCARBON S.A. direct holdings of at least 25% - SC LIVING PLASTIC INDUSTRY S.R.L.- 32.8540%.

4.2. Executive members:

a) indefinitely period

Andrei Radu- CEO starting on 01/09/2013

Cretu Victor- Deputy Commercial General Manager starting on 01.09.2013

Titi Mihai - Deputy Technical General Manager since 01.06.2010

Genes Alina - Development Director since 01.04.2010

Zainescu Viorica Ioana - CFO starting on 15.01.2010

Damian Nicoleta - Human Resources Director since 01.02.2006

Stroescu Daniela - Production Manager starting on 01.06.2005

Duracu Gheorghe - Quality Manager starting on 05.01.2004

b) Not applicable.

c) Not applicable..

4.3. There were not any litigations or administrative proceedings to be involved the management members (administrators) or senior executives or persons listed in pct.4.1 and 4.2. .


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5. Financial and accounting statement

There are attached :

-Unconsolidated financial statements for the year ended on 31.12.2014 prepared in accordance with Accounting Act no. 82/1991, republished, Order no. 1286/2012 as subsequently amended, O.M.F.P. no. 881/2012 on the application by the companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards - standards adopted under the procedure provided for in art. 6 para. (2) of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The company will issue for the year 2014 consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS").

O.M.F.P. no. 881/2012 on the application by the companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards –standards adopted under the procedure provided for in art. 6 para. (2) of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

(Including: Independent-auditor Report of Deloitte Audit SRL -, Income and expenses statement, Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Cash flow statement, Notes to financial statements, the Administrators Financial Report attached to the financial situations;

- The decision of the Ordinary General Meeting of Shareholders dated 29 / 04.30.2015, which approved the 2014 financial statements;

- Declaration of the management company of the conformity of the accounting statements.

a.)Situatia pozitiei financiare

Statement of financial position for the years 2012, 2013, 2014 is shown in the following table .

Balance sheet	2012	2013	2014	Variatie	2014 vs. 2013
Property, plant and equipment	147,329,485	115,730,546	113,254,098	-2,476,447	▼ -2.14%
Investment property	44,484,586	45,934,052	46,317,533	383,482	▲ 0.83%
Intangible assets	421,987	339,167	209,289	-129,879	▼ -38.29%
Financial assets	26,332,650	24,125,945	22,919,676	-1,206,270	▼ -5.00%
Total non-current assets	218,568,708	186,129,710	182,700,596	-3,429,114	▼ -1.84%
Inventories	16,308,574	15,719,338	18,104,795	2,385,457	▲ 15.18%
Trade and other receivables	36,628,524	31,926,260	29,399,410	-2,526,849	▼ -7.91%
Loans granted to related parties	55,442	0	635,099	635,099	▲ n/a
Current tax assets	18,839	18,839	131,401	112,562	▲ 597.49%
Other assets	306,716	262,596	246,451	-16,145	▼ -6.15%
Cash and bank balances	11,200,471	9,307,666	9,560,212	252,546	▲ 2.71%
Total current assets	64,518,566	57,234,699	58,077,367	842,669	▲ 1.47%
Total assets	283,087,274	243,364,409	240,777,963	-2,586,445	▼ -1.06%
Issued capital	228,051,959	26,412,210	26,412,210	0	▼ 0.00%
Share premium	2,182,283	2,182,283	2,182,283	0	▲ 0.00%
Reserves	79,642,069	49,242,206	49,418,796	176,590	▲ 0.36%
Retained earnings	-193,348,130	12,697,983	47,730,966	35,032,983	▲ 275.89%
Total Equity	116,528,181	90,534,682	125,744,256	35,209,573	▲ 38.89%
Borrowings LT	28,473,487	21,095,797	14,842,699	-6,253,098	▼ -29.64%
Long term finance leases and other interest bearing obligations	3,044,711	3,791,346	2,705,112	-1,086,234	▼ -28.65%

Deferred tax liabilities	14,913,577	10,570,635	11,041,869	471,234	▲	4.46%
Other non current liabilities	0	0	0	0	—	n/a
Deferred income	13,781,714	12,593,199	11,052,206	-1,540,993	▼	-12.24%
Total non-current liabilities	60,213,489	48,050,977	39,641,885	-8,409,092	▼	-17.50%
Trade and other payables	30,725,215	27,599,072	28,900,849	1,301,777	▲	4.72%
Loans received from related parties	34,464,930	31,277,371	0	-31,277,371	▼	-100.00%
Borrowings ST	38,309,069	42,869,851	42,801,193	-68,658	▼	-0.16%
Short term finance leases and other interest bearing obligations	1,373,008	1,408,860	1,588,642	179,783	▲	12.76%
Deferred revenue	38,350	41,602	8,320	-33,282	▼	-80.00%
Other liabilities	1,435,032	1,581,993	2,092,819	510,826	▲	32.29%
Total current liabilities	106,345,604	104,778,750	75,391,823	-29,386,927	▼	-28.05%
Total liabilities	166,559,093	152,829,727	115,033,708	-37,796,019	▼	-24.73%
Total equity and liabilities	283,087,274	243,364,409	240,777,963	-2,586,446	▼	-1.06%

* As a result of applying IFRS, beginning with fiscal year 2012 there were restated financial statements, resulting from the application of LAS 29 adjustment for inflation of capital amounting to 201,639,749 lei.

In 2013 we proceeded to cover the loss recorded as a negative result reported from adjustments of negative share capital, amounting to 201,639,749 lei.

NON-CURRENT ASSETS

In 2014, non-current assets hold 75.88% of the company's assets, recording a decrease of 3,429,114 lei, ie 1.84% comparing 31.12.2013.

The structure of non-current assets is detailed in the below:

Non-Current assets	2014	% in total ATL	2014 vs. 2013
Property, plant and equipment	113,254,098	61.99%	-2.14%
Investment property	46,317,533	25.35%	0.83%
Intangible assets	209,289	0.11%	-38.29%
Financial assets	22,919,676	12.54%	-5.00%
Total	182,700,596	100.00%	-1.84%

On 31.12.2014 there were evaluated assets classified as investment property resulting in a net income of 162,850 lei, the amount was recorded directly as a result of exercise.

The main entrance of tangible assets are stated at pct.1.1.d) of this report.

In category investment property are included assets (land and buildings) held by the company in order to obtain rental income. Detailed on work points, they are as follows.:

Investment property	Land	Plants	Total
Iasi	28,281,718	8,292,294	36,574,012
Buzau	2,135,183	1,510,077	3,645,260
Stefanesti	3,642,736	2,455,524	6,098,260
Total	34,059,637	12,257,896	46,317,533


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On 31.12.2014, the Company owns fixed assets (land and buildings) classified as investment property located in Iasi amounting 36,574,012 lei. The Company's management confirms that takes into account the possibility of selling those assets that are not currently used for renting.

FINANCIAL ASSETS

Financial assets representing 12.54% of total long-term assets and 9.52% of total assets have declined by 1,206,270 lei, during the reporting period.

In addition to the information presented in section 4.1.d.1, the company had the following financial investment on 31.12.2014:

Society	Total number of shares	nominal value at (lei)	Share capital (lei)	No of shares held	Value of the acquisition / investment	Percentage of ownership (%)
KANG YANG BIOTECHNOLOGY CO.LTD	2,889,993			139,000	203,963	4.8097%
REGISTRUL MIORITA SA	10,500	10	105,000	398	5,000	3.7905%
TOTAL					208,963	

Below there are presented the transactions in financial assets during the reporting period.

Starting with 05.22.2013 up to 05.21.2016 SC POLYMASTER CHEMICALS SA has its activity suspended under art. 237 of Law 31/1990.


On 01/08/2013 SIGUREC INTERNATIONAL SA entered into voluntary dissolution procedure according to AGEA DECISION dated 08/01/2013 according to Article 113 lett i and Article 227 letter d of Law 31/1990. In the month of February 2014 the company was erased from the Trade Register.

In the month of November 2014 SC ROMCARBON S.A. decreased holding in the share capital of SC ECO PACK MANAGEMENT SA from 49.966% to 25.3597%, by not participating in increasing of the share capital of this company.

In the month of December 2014 SC ROMCARBON S.A. increased its holding in Yenki SRL from 25% to 33.33% by purchasing a total of 2.734 shares for which it paid the sum of 18,000 lei.

On 31.12.2014 being noticed a depreciation of financial assets there were made adjustments for impairment thereof as follows:

Society	Share ownership.	Adjusting
ROMCARBON DEUTSCHLAND GmbH	100.00%	110,138
TAIPEI CIMEO SRL	60.00%	491,040
POLYMASTERS CHEMICALS SA	60.00%	10,202
GREENSORT RECYCLING SRL	51.00%	738
YENKI SRL	33.34%	11,989
ECO PACK MANAGEMENT SA	25.36%	554,262
Total		1,178,369


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CURRENT ASSETS hold 24.12% of total assets registering an increase of 842,669 lei, ie 1.47% compared to 2013.

Current assets	2014	% in total AC	% in Total Active	2014 vs. 2013
Inventories	18,104,795	31.17%	7.52%	15.18%
Trade and other receivables	29,399,410	50.62%	12.21%	-7.91%
Loans granted to related parties	635,099	1.09%	0.26%	n/a
Current tax assets	131,401	0.23%	0.05%	597.49%
Other assets	246,451	0.42%	0.10%	-6.15%
Cash and bank balances	9,560,212	16.46%	3.97%	2.71%
Total	58,077,367	100.00%	24.12%	1.47%

In November and December 2014, SC Romcarbon SA awarded by the contract no .4743 / 11.17.2014 a loan of 141,000 Euro to the company RC Energo Install SRL - company of whose capital SC Romcarbon SA holds 99.50% The loan and related interest was fully repaid in January 2015.

On 31.12.2014 the balance of this loan is as follows:

Society	Contract	Value	
		Euro	Lei
RC ENERGO INSTALL SRL	4743/17.11.2014	€ 141,000	631,975 lei
Interest		€ 697	3,122 lei
Total		€ 141,697	635,098 lei

Debts

Total debt of the company hold 47.78% of total liabilities, recording a decrease from 2013 of 37,796,019 lei, ie 24.73%.

Current debts Current liabilities of the Company, representing 65.54% of total debt, and 31.31% of total liabilities decreased by 29,386,927 lei compared to the same period of 2013, 28.05% respectively, and have the following composition.:

Current liabilities	2014	% in total debts	% in Total Current Liabilities	2014 vs. 2013
Trade payables.	28,900,849.	25.12%	38.33%	4.72%
Loans received from related parties	0	0.00%	0.00%	-100.00%
Loans	42,801,193	37.21%	56.77%	-0.16%
Financial leases and other interest-bearing liabilities	1,588,642	1.38%	2.11%	12.76%
Income in advance	8,320	0.01%	0.01%	-80.00%
Other liabilities	2,092,819	1.82%	2.78%	32.29%
Total	75,391,823	65.54%	100.00%	-28.05%

In the month of April 2014 SC Romcarbon SA repaid the loan received from Recyplat LTD, whose balance as on 04.01.2014 was 6,888,900 Euro, the source of this refund being the dividends received from Recyplat LTD worth 6.8 million Euro..

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Non-current liabilities of the company representing 34.46% of Total debt and 16.46% of Total Liabilities&Equity declined by 8,409,092 lei, i.e. 17.50%, as compared to 2013 an they have the following structure:

Non-Current Liabilities	2014	% in total liabilities	% in Total NCL	2014 vs. 2013
Borrowings LT	14,842,699	12.90%	37.44%	-29.64%
Long term finance leases and other interest bearing obligations	2,705,112	2.35%	6.82%	-28.65%
Deferred tax liabilities	11,041,869	9.60%	27.85%	4.46%
Other non current liabilities	11,052,206	9.61%	27.88%	-12.24%
Deferred income	39,641,885	34.46%	100.00%	-17.50%

On 31.12.2014 situation of bank loans engaged by SC ROMCARBON S.A. is the following:

Bank	Type of facility	The initial amount	Balance on 31.12.2014		Maturity
			in euro	in lei	
UniCredit Tiriac	Line of Credit	€ 3,450,000	€ 3,450,000	15,463,245 lei	02/07/2015
UniCredit Tiriac	credit object	€ 2,500,000	€ 2,030,067	9,098,964 lei	04/07/2015
BRD GSG	Line of Credit	€ 2,550,000	€ 2,492,794	11,172,953 lei	30/09/2015
Banca Romaneasca-NBG Malta	Credit Investment (I)	€ 5,300,000	€ 1,649,402	7,392,784 lei	30/11/2017
Banca Romaneasca-NBG Malta	Investment loan (II)	€ 3,750,000	€ 1,416,171	6,347,419 lei	30/11/2017
BRD GSG	investment credit	€ 2,058,000	€ 1,663,915	7,457,833 lei	01/03/2018
BRD GSG	investment credit	€ 1,000,000	€ 158,563	710,694 lei	03/02/2022
Total		€ 20,608,000	€ 12,860,912	57,643,891 lei	

Short-term loans are totaling 7,972,861 Euro and have the following composition:

Bank	Type of facility	Sold la 31.12.2014	
		in euro	in lei
UniCredit Tiriac	Line of Credit	€ 3,450,000	15,463,245 lei
UniCredit Tiriac	credit object	€ 2,030,067	9,098,964 lei
BRD GSG	Line of Credit	€ 2,492,794	11,172,953 lei
Total short-term loans		€ 7,972,861	35,735,162 lei

Long-term loans are totaling 4,888,050 Euro and is broken down as follows::

Bank	Type of facility	Balance on 31.12.2014 , of which		< 1 year	> 1 year
		in euro	in lei		
Banca Romaneasca-NBG Malta	Credit Investment (I)	€ 1,649,402	7,392,784 lei	2,534,668 lei	4,858,115 lei
Banca Romaneasca-NBG Malta	Investment loan (II)	€ 1,416,171	6,347,419 lei	2,176,257 lei	4,171,161 lei
BRD GSG	investment credit	€ 1,663,915	7,457,833 lei	2,355,105 lei	5,102,728 lei
BRD GSG	investment credit	€ 158,563	710,694 lei	- lei	710,694 lei
Total Credite pe termen lung		€ 4,888,050	21,908,729 lei	7,066,031 lei	14,842,699 lei

Bank loans were secured by mortgages on real estate and movables on buildings, fixed assets, the assignment of receivables and the assignment of the cash-flow from of Banks.

Loans are interest bearing whose rates quoted are formed Euribor1M and Euribor3M plus bank margins between 2.50% and 4.25%.

Equity hold 52.22% of total liabilities, and recorded an increase of 35,209,573 lei respectively 38.89% compared to 31.12.2013 and have the following composition:

Equity	2014	2014 vs. 2013
Subscribed and paid up share capital (representing the equivalent of a total of 264,122,096 shares at a nominal value of 0.1 lei per share)	26,412,210	0.00%
Share premium	2,182,283	0.00%
Reserves	49,418,796	0.36%
Retained earnings	47,730,966	275.89%
Total Equity	125,744,256	38.89%

b.) Revenues and expenditures / Statement of Comprehensive Income

Item	2012	2013	2014		2014 vs. 2013	
Revenue	131,276,119	138,717,368	157,939,374	▲	19,222,006	14%
Investment income	4,611,368	4,853,112	39,546,850	▲	34,693,738	715%
Other gains and losses	544,684	1,522,899	310,664	▼	1,212,235	-80%
Changes in inventories of finished goods and work in progress	1,873,742	1,150,239	1,776,904	▲	626,665	54%
Raw materials and consumables used	-102,762,851	-110,073,327	-123,301,848	▲	13,228,521	12%
Depreciation and amortisation expenses	-4,515,592	-6,459,813	-8,589,905	▲	2,130,092	33%
Employee benefits expenses and social charges	-11,013,035	-12,510,155	-15,363,377	▲	2,853,222	23%
Tax contributions related to employee benefits	-2,921,519	-3,638,465	-4,259,181	▲	620,716	17%
Finance costs	-3,963,918	-3,092,878	-2,647,538	▼	445,340	-14%
Other income	611,867	1,187,269	1,560,493	▲	373,224	31%
Other expenses	-12,987,540	-11,290,975	-10,274,552	▼	1,016,423	-9%
Profit (loss) before tax	753,325	365,274	36,697,883	▲	36,332,609	9947%
Income tax expense	-64,043	-313,139	-484,646	▲	171,507	55%
Profit (loss) of the year	689,282	52,135	36,213,237	▲	36,161,103	69361%
Loss on revaluation of tangible assets	-59,706	-29,100,504	0	▼	29,100,504	-100%
Adjustment of deferred tax on fiscally non-deductible revaluation reserves	0	4,656,081	0	▼	4,656,081	-100%
Total comprehensive income¹	629,576	-24,392,288	36,213,237	▲	60,605,526	-248%

The item "Investment income" has the following structure:

Item	2012	2013	2014
Rental and royalty income	4,257,319	3,701,812	2,513,884
Interest income	354,050	111,427	52,324
Investment income [dividends] - Total Commercial Management	0	0	14,885
Investment income [dividends] - Recyplat	0	0	35,478,880
Investment income [dividends] - Yenki	0	0	1,877
Investment income [dividends] - Infotech Solutions	0	49,873	0


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Investment income [dividends] - LivingJumbo

Industry

0 990,000 1,485,000

4,611,368 4,853,112 39,546,850

TURNOVER (SALES)

Structure of sales	2012		2013		2014		2014 vs. 2013
	Value	% in total	Value	% in total	Value	% in total	
Sales of finished goods	82,726,874	61.04%	85,102,725	59.76%	98,515,325	61.40%	▲ 15.76%
Sales of intermediary goods	24,234	0.02%	25,108	0.02%	374,422	0.23%	▲ 1391.23%
Services rendered	99,413	0.07%	144,095	0.10%	80,677	0.05%	▼ -44.01%
Sale of goods purchased for resale	45,148,274	33.31%	50,346,451	35.35%	56,436,094	35.17%	▲ 12.10%
Rental and royalty income	4,257,319	3.14%	3,701,812	2.60%	2,513,884	1.57%	▼ -32.09%
Revenues from sundry services	3,277,323	2.42%	3,098,988	2.18%	2,532,857	1.58%	▼ -18.27%
Total, from which:	135,533,436	100.00%	142,419,180	100.00%	160,453,258	100.00%	▲ 12.66%
~domestic market	114,523,086	84.50%	122,661,089	86.13%	137,356,336	85.61%	▲ 11.98%
~foreign market	21,010,350	15.50%	19,758,092	13.87%	23,096,922	14.39%	▲ 16.90%

Note: Turnover comprises the indicator "Net Sales" from Profit and Loss, plus "rental income" arising from investment properties.

FINANCIAL RATIOS

During the reporting period the main indicators had the following evolution

Item	2012	2013	2014
Net profit	689,282	52,135	36,213,237
Profit tax (+)	64,043	313,139	484,646
Interests (expenses) (+)	3,370,650	2,744,353	2,323,401
EBIT	4,123,975	3,109,627	39,021,284
Depreciation (+)	4,435,572	6,459,813	7,411,536
Revenues from investment subsidies (-)	611,867	1,187,269	1,560,493
EBITDA	7,947,680	8,382,171	44,872,327

1 Profitability

No	Ratio	Formula	2012	2013	2014
a)	EBITDA to Turnover	$\frac{\text{EBITDA}}{\text{Turnover}} \times 100$	5.86%	5.89%	27.97%
b)	EBITDA to Total Equity	$\frac{\text{EBITDA}}{\text{Total Equity}} \times 100$	6.82%	9.26%	35.69%
c)	Gross profit ratio	$\frac{\text{Gross profit}}{\text{Turnover}} \times 100$	0.56%	0.26%	22.87%
d)	Total equity ratio	$\frac{\text{Net profit}}{\text{Total Equity}} \times 100$	0.59%	0.06%	28.80%

2 Liquidity Analysis

No	Ratio	Formula	2012	2013	2014
a)	Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.61	0.55	0.53
b)	Quick ratio	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	0.45	0.40	0.53

		Current liabilities			
3 Risk Analysis					
No	Ratio	Formula	2012	2013	2014
a)	Non-current liabilities to Equity	Non-current liabilities	0.52	0.53	0.32
		Total Equity			
b)	Debt to asset ratio	Total liabilities	0.59	0.63	0.48
		Total assets			
c)	Interest covaraage ration	EBIT	1.22	1.13	16.79
		Interest expenses			

4 Activity Analysis					
No	Ratio	Formula	2012	2013	2014
a)	Account receivable turnover ratio	Average receivable balance x 360	72	87	69
		Turnover			
b)	Account payable turnover ratio	Average payable balance x 360	67	74	63
		Turnover			

5 Profitability ratios					
No	Ratio	Formula	2012	2013	2014
a)	Return on assets	Net profit x 100	0.2435%	0.0214%	15.0401%
		Total Assets			
b)	Return on equity	Net profit x 100	0.5915%	0.0576%	28.7991%
		Total Equity			
c)	Return on sales	Net profit x 100	0.5086%	0.0366%	22.5693%
		Turnover			

c) Statement of Cash Flows

Item

Net profit / (loss) after taxation

Income tax expense
 Depreciation
 (Gain) / Loss on fixed assets disposal
 (Gain) / Loss arising on changes in fair value of investment property
 (Gain) / Loss arising disposal of investment property
 Customers provisions
 Write off of receivables
 (Gains) / Losses with disposal of financial assets
 Interest expense
 Interest income
 Dividend income
 Income from subsidies
 Unrealised net forex result

PETRO MIHAI
 TRACU DE AUTOMAT
 SWORN TRANSLATION
 Nr. NH. 0195

Movements in working capital

(Increase) / Decrease in accounts receivable
 (Increase) / Decrease in inventories

(Increase) / Decrease in other assets
 Increase / (Decrease) in accounts payable
 (Decrease) / Increase in deferred revenue
 (Decrease)/increase in other liabilities

Cash generated from operations

Income taxes paid

Interest paid

Net cash generated by operating activities

-2,923,117 4,279,122 8,277,257

Cash flows from investing activities

Payments to acquire financial assets

-1,010,915 -481,050 27,900

Interest received

354,049 111,427 52,324

Dividends received

- 1,039,873 36,980,642

Payments for property, plant and equipment

-21,585,895 -3,970,457 -4,809,833

Payments for investment property

-1,367,895 -85,568 -220,630

Proceeds from disposal of investment property

922,061 0 0

Proceeds from disposal of property, plant and equipment

505,368 3,567,680 47,343

Proceeds from disposal of investments

2,200 3,156,539 0

Proceeds from loans granted to related parties

1,918,162 55,442 -635,099

Payments for intangible assets

-82,860 0 0

Payment of dividends

-2,539,607 -1,558,744 -993,281

Net cash (used in)/generated by investing activities

-22,885,332 1,835,140 30,449,366

Cash flows from financing activities

Payments of lease liabilities

-1,770,520 -1,204,401 -906,452

Proceeds from bank loans

15,477,875 29,239,313 44,015,425

Proceeds/Repayments of related party borrowings

34,464,930 -3,187,559 -31,277,371

Repayment of bank loans

-23,974,202 -32,854,420 -50,305,679

Proceeds from subsidies

4,330,658 0 0

Net cash used in financing activities

28,528,741 -8,007,067 -38,474,077

Net increase in cash and cash equivalents

2,720,292 -1,892,805 252,546

Cash and cash equivalents at the beginning of the year

8,672,653 11,200,471 9,307,666

Effects of exchange rate changes on the balance of cash held in foreign currencies

-192,474 0 0

Cash and cash equivalents at the end of the year

11,200,471 9,307,666 9,560,212

6. CORPORATE GOVERNANCE

FETIO MIHAEL
 TRADUCATOR AUTOGRAFAT
 SI VORBITOR
 10.05.2015

I. PREAMBLE

This chapter summarizes the Company's Corporate Governance main rules, structures, procedures and decision-making practices within the company, governance standards that ensure the general principles of management and effective control of the activities of the company according to the object of activity, for the benefit of shareholders and for increase investor confidence. The entire set of standards of corporate governance provides the structure through which the company objectives are set, the means of achieving them and to monitor the performance and aims to promote fairness, transparency and accountability in the society.

The Company "ROMCARBON" SA. is a legal Romanian entity that operates as a joint stock company, in accordance with regulations in force. It operates in accordance with the Romanian laws and articles of incorporation.

The company was founded in 1952, originally under the name "Intreprinderea de mase plastice". The company is headquartered in Romania, Buzau, Transilvania Street no. 132, is organized as a joint stock company under the Romanian laws .

The main activity of the company is: 222 - Manufacture of plastic and the core activity, according 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 S.C. BURSA DE VALORI BUCURESTI S.A. of the shares issued by SC ROMCARBON S.A. SA .

Thus , starting from 30.05.2008 until 01.05.2015 the shares SC ROMCARBON S.A. were traded on the regulated market of the Bucharest Stock Exchange, Equities Sector, Second category of Shares. Starting with 05.01.2015 the shares SC 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 BSE.

Previously trading on BSE the company was listed on Second category of the Rasdaq market.

The main features of the shares issued by SC ROMCARBON S.A. they 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 BVB regulated market , SC 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.

In this respect, the management of SC ROMCARBON S.A. states that voluntarily and self-imposed adopt the Code of Corporate Governance of BSE, as adopted by the Board of BSE in December 2007, as amended, with the sole purpose of its implementation in the company, by assuming its corporate governance policies.

A first step in implementing a corporate governance policy was adopted respectively implementation of the Code of Corporate Governance of BSE, at company level, which can be accessed in Romanian language and English on site BSE - www.bvb.ro

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BY
SWORN TRANSLATOR
AUT. NR. 8195

Implementation of the Code in the SC ROMCARBON S.A. consisted primarily in the adoption by the Board of Directors of Corporate Governance Regulation, Regulation that can be accessed on the company's website www.romcarbon.com.

The regulations which we comply with in the preparation of this chapter of Corporate Governance: 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, 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 December 2007, the Constitutive Act of SC ROMCARBON SA, the Collective Labour Agreement with the Internal Rules concluded at the level of the company and Code of Ethics hereinafter generically "Legal provisions".

II. STRUCTURE AND CORPORATE GOVERNANCE ISSUES

2.1. General Meeting of Shareholders

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

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

2.2. Board of Directors

Currently, the Company's management system is unitary.

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

Members of the Board of Directors ensures 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 people 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 SC 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, convened 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 notices for Board meetings shall be sent 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 Board of Directors convened. These notices include convening date, respectively the ~~or~~ location where the C.A. meeting will be and agenda, unable to make any decisions on other issues than in case of emergency and 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 be taken by unanimous vote of the members expressed in writing, without the need for a meeting of that body.

For the validity of decisions it requires 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 casting 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 president does not benefit the decisive vote, the proposal put to the vote shall be considered rejected.

the decisive vote,
TRANSMITTED AUTOMATICALLY
BY THE TRANSLATION
SYSTEM
DATE: 10/10/2015

Board members express their vote on the issues on the agenda during the meeting. In case of no-show, administrators ~~in~~ can express their vote by any means of distance communication (mail, email, fax) that ~~to~~ ensure 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 summoned.

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

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

Chairman, 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 managing and company management. In such situations, they may be revoked by the decision of the General Meeting of Shareholders respectively Bord of Directors.

At the date of this annual report, the Board of Directors of SC ROMCARBON S.A. consists of the following directors elected at the General Meeting dated 05.01.2012, for a term of four years, expiring on 04.02.2016:

► **Chairman – HUNG, CHING – LING**

* **Professional experience**

- Marketing Director - KMC INTERNATIONAL TRADING, Taiwan - 1994-1996
- Export Director - DONG SHIUAN ENTRPRISE CO, Taiwan - 1996-1998
- Member of the Board of Directors of S.C. LIVING PLASTIC INDUSTRY S.A. - 1998 – 2004
- CEO of S.C. ROMCARBON S.A.: 23.12.2003 - 04.04.2008
- Member / Chairman, Board of Directors of SC ROMCARBON S.A. - 2003 - present
- Director General of SC GREENFIBER INTERNATIONAL SA: 01.05.2007 - 13.02.2009, 01.04.2012-present;
- Chairman of Board of Directors of SC GREENFIBER INTERNATIONAL SA: 01.05.2007-dec. 2009; 20.09. 2010 - present.
- Director General of SC Greentech SA 01.04.2012-present;
- Chairman of Board of Directors of SC Greentech SA: 06.01.2009 - present
- Director General of SC GREENWEEEE INTERNATIONAL SA 01.04.2012-present;
- Chairman of Board of Directors of SC GREENWEEEE INTERNATIONAL SA: 01.11.2008 - present.
- Director General o S.C. GREENLAMP RECICLARE S.A :01.04.2012-present
- Chairman of Board of Directors of S.C GREENLAMP RECICLARE S.A :28.05.2012-31.01.2013
- Chairman of Board of Directors of S.C GREENGLASS RECYCLING S.A 15.02.2013-present

► **Deputy Chairman– SIMIONESCU DAN**

* **Professional experience :**

- Director Coopers& Lybrand Romania – 1993-1997
- Director Marketing Department, Capital Markets and External Relations - SIF Transilvania – 1997-present
- Member of the Board of Directors of S.C. ROMCARBON S.A. – 2003 - prezent
- Member of the Board of Directors of S.C. GREENFIBER INTERNATIONAL SA- 01.05.2007 -dec. 2009; 20.09. 2010 – 28.05.2012
- Member of the Board of Directors of SC GREENTECH SA - 06.01.2009 – 28.05.2012
- Member of the Board of Directors of SC GREENWEEEE INTERNATIONAL SA - 01.04.2012 – 28.05.2012

FETIC MIHAELA
TRADITION AUTORIZAT
SWORN TRANSLATOR
01/01/2008

► **Member – WANG, YI – HAO**

• **Professional experience**

- Director of International Trade Department Living Water in Spring International Co., Ltd - 2007-2010
 - CEO Living Water in Spring International Co, Ltd - 2010- prezent
- 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

The Board of Directors shall be as provided in the Article of incorporation of SC ROMCARBON S.A. being in strict accordance with the law, ensuring the presentation of materials, recording works and decisions.

The nomination and remuneration of directors

Nomination of Directors SC ROMCARBON S.A. is made by shareholders, nominations are subject to approval by the general meeting of shareholders. Candidates for the position of member of the board of directors of the company must meet in addition to the general conditions stipulated by the Law no.31 / 1990 also and the special place of the Law no.297 / 2004.

In 2014, the Board met in 12 sessions, decisions being are taken by unanimous vote of those present and under the legal provisions concerning the quorum for convening and holding that legally adopt decisions. The main decisions taken by the Board were:

- Approval of participation of SC ROMCARBON SA at share capital of Kang Yang Biotechnology amount of 18.887 Euro. (Decision 2 / 24.03.2014).
- Approval of an extension with 1 year of sale purchase agreement nr.3326 / 24.05.2012 concluded between SC ROMCARBON SA si Kasakrom Chemicals in conditions set forth in the current report no. 2436 of 06/03/2014. (Decision 3 / 09.05.2014)
- Approval procedure for granting dividends for fiscal year 2013, and a press release informing shareholders with the object of making available to the aforementioned procedures, in accordance with Art. 113 lit. G paragraph 1 of CNVM Regulation 1/2006 (Decision no. 4 / 27.05.2014).
- Approval of contracting audit services for 2014 and concluding, in this respect, of a service contract of statutory audit with DELOITTE AUDIT SRL (Decision no. 5 / 06.17.2014).
- Approval of an extension with 1 year of loan agreement concluded between SC ECO PACK MANAGEMENT SA (where SC ROMCARBON SA holds 49.96% of share capital) as Borrower and SC WINPACK INDUSTRY SRL as a lender. (Decision 5 / 06.17.2014)
- Approval for granting by Recyplat Limited (a company in which SC ROMCARBON SA owns 100% of the share capital) of an interim dividend for the financial year 2014 in the amount of Euro 1,137,544 and its cashing , as described in the current report nr.4356 / 14.10.2014 (CA Decision No. 9 / 01.10.2014)
- Approval for granting by SC ROMCARBON SA of an associated loan to SC RC ENERGO INSTALL SRL (a company in which SC ROMCARBON on 31.12.2014 holds 99.5% of the share capital) in the amount of 500,000 Euro, as mentioned in the current report nr.4769 / 18.11.2014. (Decision No. 10 / 10.27.2014).
- Approval of the increase rate of participation of SC ROMCARBON SA in the share capital of SC YENKY SRL from 25% to 33.3354% of the share capital. (Decision No. 10 / 10.27.2014)
- Approval for participation of SC ROMCARBON S.A. with the project "Development of the

company SC ROMCARBON SA" at the appeal launched by the Ministry of European Funds - Management Authority in the Sectoral Operational Programme "Increase of Economic Competitiveness "(SOP) 2007-2013- co-financed by the European Regional Development Fund, Priority Axis 1 - An innovative and eco-efficient production, Key Area of Intervention DM1.1 - Productive investments and preparation for market competition of enterprises, especially SMEs, Operation "Support for strengthening and upgrading the productive sector by tangible and intangible investments". (Decision No. 11 / 11.17.2014)

- Approval of the increase rate of participation of SC ROMCARBON SA , at the share capital of SC RC ENERGO INSTALL SRL from 99.5% to 100%, by acquiring a share from of the shareholder Tudor Dan Flavian. (Decision No. 12 / 12.12.2014)
- Convening of the 2 general meetings of shareholders :

OGMS from 29.04.2014 , by the Decision a C.A. nr.2/24.03.2014 regarding :

- Presentation, discussion and approval of the annual report of the Board of Administration for 2013.
- Presentation and approval of individual unconsolidated financial statements for the financial year 2013 in accordance with International Financial Reporting Standards (IFRS) based on: Directors' Report and Auditor's Report on 2013 external financial.
- Presentation of the report external financial auditor - Deloitte Audit SRL, member of Deloitte Touche Tohmatsu - on the unconsolidated financial statements for the financial year 2013.
- Presentation and approval of the consolidated financial statements for the financial year 2013 prepared in accordance with International Financial Reporting Standards (IFRS), based on: Directors' Report and Auditor's Report on 2013 external financial.
- Presentation of the report external financial auditor - Deloitte Audit SRL, Deloitte Touche Tohmatsu member of - changing situations on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the financial year 2013.
- Approval of the distribution of net profit in the year 2013 in the amount of 52,163.49 lei for the following destinations:
 - a) Legal reserves in the amount of 2,607 lei;
 - b) Retained earnings, amounting to 49,527.49 lei consisting of retained earnings.
- Approval of the change of destination net profit in the year 2006 in the amount of 1,003,664 lei lei, in category "Other reserves" (as previously distributed by decision of the General Meeting of Shareholders 30.04.2007) in the "Dividends" and approval its distribution as dividends, under the law and under the condition of obtaining the agreement of the creditor banks for distribution of dividends. The gross dividend / share 0.0038 lei. "
- Presentation and approval of the Annual Report 2013 prepared in accordance with the provisions of the Regulation No.1 / 2006 on issuers and securities operations and the Corporate Governance Code of the Bucharest Stock Exchange SA
- Approval of the discharge of the Board members for their activity in the financial year 2013.
- Approval of contracting external financial audit of the Company for the year 2014 and to authorize the Board of Directors to appoint external financial auditor and to negotiate contractual terms.
- Approval of the income and expenditure for the year 2014.
- Approval of 05/20/2014, the date on which the identification of shareholders will be affected by the decision of the ordinary general meeting of shareholders, according to art. 238 of Law 297/2004 on the capital market.

EGMS from 29.04.2014, by the Decision CA nr.2/24.03.2014 regarding :

NETIC MICHAEL
DIRECTOR GENERAL
BUCURESTI
AUT. 11.11.2014

- Approval of bank exposure of SC Romcarbon S.A. for loans amounting to 14,499,450 Euro, leasing Euro 2,233,298 , leasing ceiling / loans to finance the proposed investment in 2014 year investment plan amounting Euro 5,503,600, letters of bank guarantee amounting to 500,000 lei and Guarantee as guarantor for the amount of 440,000 lei in favor of Taipei Cimeo SA for the financial years 2014 to 2015, and approval by 12 months extension of loans maturing in 2014, maintaining the relevant security (including those with who society as guarantor guarantees per downstream).
- Empowering the Board of Directors to negotiate and decide, as appropriate, regarding: changing credit conditions, modification and / or establishment of new securities, restructuring or refinancing existing loans currency change, and contracting new loans, the exposure limits banking and law.
- Empowering CEO and CFO to sign credit contracts and addenda thereto, warranty contracts and addenda related to these leases and addenda thereto, and any other documents necessary for the carrying out of the decision **EGMS**.
- Approval of the investment plan for 2014. Empowerment CEO and CFO to decide on whether to make investments in the investment plan approved limits and availability of funding sources necessary to negotiate and sign any documents necessary for the carrying performance of the investment plan.
- Approval of 05/20/2014, the date on which the identification of shareholders will be affected by the decision of the ordinary general meeting of shareholders, according to art. 238 of Law 297/2004 on the capital market.

Compliance with the provisions of art. 138² of Law 31/1990 of Principle VI (CGC) respectively with ~~that~~ the recommendation no. 16 from the Implementation Guide Corporate Governance Code, we mention that the administrators meet the condition of independence partly because only gentlemen SIMIONESCU Dan and WANG YI -HAO are independent administrators .

In the company there is also an Audit Committee composed of the following directors: SIMIONESCU DAN and WANG YI -HAO.

Regarding the existence of a Remuneration Committee, we specify that the company does not intend to establish such advisory committee, the competence for establishing and application of the remuneration policy in the company belongs exclusively to the General Meeting of Shareholders (pay / allowance board members) or the Board of Directors (remuneration of executive management staff respectively), within legal limitations conferred by the Act of incorporation and legislation companies to these bodies.

Currently, directors' remuneration is made in accordance with the Articles of Association and the Resolution of the General Meeting dated 27.04.2012.

2.3. Executive management

The executive management of SC ROMCARBON S.A. is provided by the following persons, whom have been delegated the powers for the management of the company:

Andrei Radu- CEO starting on 01/09/2013

Banucu Ileana- CEO untill 31.08.2013

Titi Mihai - Technical Deputy General Director since 01.06.2010

Cretu Victor - Deputy General Manager Commercial starting on 01/09/2013

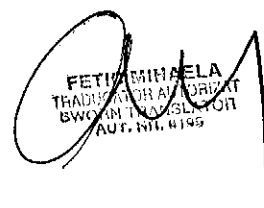
Genes Alina - Development Director since 01.04.2010

Zainescu Viorica Ioana - CFO starting on 15.01.2010

Nicoleta Damian - Human Resources Director since 01.02.2006

Daniela Stroescu - Production Manager starting on 01.06.2005

Duracu Gheorghe - Quality Manager starting on 05.01.2004



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The Director General is appointed by the Board of Directors (in the case of Mr. Andrei Radu - Decision 10 / 08.30.2013).

In relations with third parties, the company is represented by the Director General under the provisions of art. 143 para. 4 in conjunction with Art. 143² para. 4 of Law 31/1990.

Remuneration of directors of the company is in accordance with the articles of association.

The remuneration policy of the Company, based solely on professional ~~profile~~ and ethically irreproachable profile of the administrators or directors, consisted of the following gross compensation - total 2014:

- a) administrators - indemnity C.A. Under AGOA Decision of 27.04.2012 - 245.165 lei
- b) Executive Management - 1,261,807 lei.

III. CORPORATE RIGHTS OF SHAREHOLDERS

The shareholders are natural or legal persons who have acquired or will acquire ownership of one or more shares in the company and who have registered the acquired right in the shareholder register kept by the company named in the contract, according to the law S.C. DEPOZITARUL CENTRAL S.A.

The acquisition, in any form, of the company's shares, involves from shareholders an unreserved adherence to all provisions of the articles of association in force at the date of acquisition.

SC ROMCARBON S.A. respects the rights of securities holders and ensures an equal treatment for all holders of securities of the same type and class, providing all relevant information so that they may exercise all rights. Securities holders must exercise the rights conferred by them in good faith, respecting the rights and legitimate interests of other shareholders and the priority interest of the company, otherwise being liable for damages.

Each share subscribed and paid by shareholders gives them the right to one vote at the general meeting of shareholders, the right to vote and to be elected to the governing bodies of the company, the right to participate in profit sharing, according to the articles of association of the Company and social asset to dissolve the company and other rights provided by law.

The rights and obligations of each share ~~action~~ will follow it ~~if its~~ in case of its passing in ~~crossing~~ the property of another person. The company's obligations are secured by its assets.

The company's patrimony can not be encumbered by any personal liability or obligation of shareholders.

A creditor of a shareholder may make claims on the part of the company's benefit that the shareholder is entitled to, only after the general meeting of shareholders will approve the balance sheet and profits and the share of it, which is due to each shareholder.

Each of shareholders ~~to~~ participates in profits and losses in proportion to the share capital owned.

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

Existing shareholders will have preemptive right, under the law, to purchase new shares in proportion to the percentage held in the share capital of the company at that time. Payments made by the shareholders to the company in exchange for these shares will be made in accordance with the laws and approval of the General Meeting of Shareholders.

The deadline for exercising the right of preemption is fixed by the Extraordinary General Meeting of Shareholders that to approved the capital increase, not being less than the time required by law. If any of the aforementioned shareholders declines or fails for any reason to exercise the right of first refusal on the purchase of new shares in the period prescribed by the Extraordinary General Meeting of Shareholders, such right shall be forwarded to the other shareholders, who will be able to it exercise within 1 week after the deadline set by the meeting which approved the capital increase and proportional to the share of capital held on the date of identifying the shareholders who are to benefit from rights established by this meeting.

General Meeting of Shareholders may decide reunification ~~reunion~~ of the share capital by issuing new shares.

Extraordinary General Meeting of Shareholders and Board of Directors will decide to reduce the share capital, in accordance with the legal provisions by reducing the nominal value of shares, or by reducing the number of shares or the acquisition of own shares followed by their annulment, and in other cases of capital decrease.

In any case the decrease of capital can not attain in any way a shareholder and equality among shareholders. Currently, the share capital of S.C. ROMCARBON S.A. is of **26,412,209.60 lei**.

All holders of shares issued by SC ROMCARBON S.A. are treated fairly. All issued shares confer equal rights to holders.

SC ROMCARBON S.A. facilitates and encourages: participation of shareholders at the General Meetings of Shareholders (AGA), the full realization of their rights, the dialogue between shareholders and members of the Board and / or management.

General Meeting of Shareholders of the Company is the governing body that decides on its activity and ensures its economic and commercial policy.

The powers of the General Meeting of Shareholders are those stipulated in the Article of incorporation of SC ROMCARBON S.A. is in strict accordance with the law, ensuring the presentation of materials, recording works and decisions.

The General Meeting is convened by the Board whenever necessary.

At the General Meeting of Shareholders are entitled to attend and vote shareholders registered in the Register of Shareholders (issued by the Central Depository) at the reference date established/ approved by the Board of Directors. Shareholders can participate in their own name or representation by others. Representation of shareholders can be made by other persons than the shareholders, based on proxy according to art. 243 para. 3 of Law 297/2004.

Forms of empowerment (special power of attorney) or to vote by correspondence, in Romanian and English, may be obtained by shareholders at the registered office of the company, every working day, starting with AGA convened between 9.00-17.00 hours or on www.romcarbon.com company website. Special power of attorney shall be drawn up in 3 copies, of which: one copy shall be sent in writing original, registered office, so that will be registered on-site reception at least 2 days prior to GMS, 17.00 or e office@romcarbon.com mail address (given that using electronic means, proxy shall be sent by electronic signature) to the same date and time, the second copy will be handed to the representative, because it il and can prove as representative to request the Technical Secretariat of the Assembly, the third will remain at shareholder. Access shareholders entitled to attend the General Meeting of Shareholders is allowed by simply proving their identity, made in the case of natural persons, with ID, and if corporate shareholders or shareholders represented individuals, with their individual empowerment is, in Romanian or English.

Shareholders representing, individually or together, at least 5% of the share capital have the right to request the introduction of new items on the agenda.

Applications are forwarded to the Board no later than 15 days after publication of the convocation, for publication and bring them to the attention of other shareholders. If the agenda includes the appointment of directors and shareholders wish to propose candidates, the request will include information on the name, domicile and professional qualifications of the persons proposed for the respective functions.

Agenda items proposed by shareholders completed subsequently, after the convocation, is published under the requirements of the law and / or association for convening the general meeting at least 10 days before the general meeting, the date mentioned in the original convening notice.

Proposals on these draft resolutions proposed for adoption may be submitted in a sealed envelope at the company headquarters in Buzau, str. Transylvania, no. 132 in less than 15 days from the publication of the convocation, 17.00, or sent by e-mail with electronic signature in compliance with Law no. 455/2001 regarding the electronic signature, to the same date and time at office@romcarbon.com mentioning at the subject "for AGOA/AGEA from _____(AGA convening date)" These proposals must be accompanied

by copies of valid identity of shareholders require the introduction of new items on the agenda, namely, ID / ID card in case of natural persons and certificate of registration for legal persons.

Each shareholder has the right to ask questions related to items on the agenda in accordance with art. 13 of NSC Regulation 6/2009. Questions can be submitted in writing to the company or by e-mail with electronic signature in compliance with Law 455/2001 regarding the electronic signature at office@romcarbon.com mentioning at the subject „ AGOA/AGEA from _____ (date of AGA meeting developing)”. The questions must be accompanied by copies of valid identity documents respectively, ID / ID card in case of natural persons and certificate of registration for legal persons.

The company will make an overall answer to questions with the same content will be made available on the website of the company in question and answer format.

Information materials, special proxy forms and draft resolutions relating to the items on the agenda can be found at the company, every working day, or on the company website (www.romcarbon.com- Section shareholders / General Meeting of Shareholders) starting with convening the General Meeting.

Shareholders registered in the Register of Shareholders at the reference date can express and convey vote on the items on the agenda of the General Meeting and by mail. Voting forms in Romanian and English can be obtained at the company - Shareholder Service or can be downloaded from the company's website. Correspondence voting forms completed and signed, accompanied by a copy of valid identity of the shareholder (ID / ID card in case of natural persons or certificate of registration and a copy of the identity document of the legal representative for legal persons) shall be sent at the company, with return receipt requested, so as to be registered to be received no later than 2 days before the meeting of the AGA, 17.00. Applications received after the above date and time will not be counted towards the quorum and majority in the Assembly.

In case of failure to fulfill the conditions stipulated by law and the articles of association for holding the General Meeting of Shareholders on the date and time mentioned in the convocation , the next meeting is convened for a later date approved by the Board of Directors, in the same place with the same agenda and to shareholders registered on the same date.

To make available to shareholders relevant information in real-time, SC ROMCARBON S.A. created on www.romcarbon.com a special section called Shareholders, accessible and constantly updated.

This page is structured to contain all information necessary to securities holders: CA meeting information, the general meetings of shareholders, financial calendar, periodic and current reports, dividends, corporate governance etc.

Also, SC ROMCARBON S.A. has internal structures specialized for investor relations and relationship with their shareholders. Persons appointed to stay in contact with investors and shareholders will periodically training courses.

Regarding the relationship with shareholders and investors, SC ROMCARBON S.A. is subject to corporate discipline by making suitable ongoing periodic reporting on all major events, including the financial situation, performance, ownership and management.

Mentioned reports are transmitted BSE, the National Securities Commission, published in a national newspaper and local and posted on the Company's website at www.romcarbon.com

SC ROMCARBON S.A. develops and disseminates information relevant periodic and continuous, in accordance with International Financial Reporting Standards (IFRS) and other reporting standards or environmental, social and leadership (ESG - Environment, Social and Governance).

Currently, external financial auditor SC ROMCARBON S.A. is **SC DELOITTE AUDIT LLC** and was based on Decision A.G.O.A. From 04.29.2014 respectively by Decision C.A. no. 5 / 17.06.2014 for a period of 1 year.

In terms of managing conflict of interest in case of transactions with parties, corporate behavior of board members is: avoid any conflict of interest directly or indirectly with the company or any subsidiary

controlled by it, by informing the Board of Directors on conflicts of interest occurred, in which case it will refrain from discussions and voting on such matters.

IV. SOCIAL RESPONSIBILITY

The company's strategy in terms of social responsibility is based on a set of principles that define its relationship with partners - employees, creditors, suppliers, customers, investors (stakeholders)

The management team of SC ROMCARBON S.A. believes that development is not possible without the contribution of each employee and the company as a whole.

The company aims, through an active policy of CSR:

- * **to support and respect the human rights of its employees in particular.** In this respect the employees benefit from various specialized programs / professional training and a constant awareness of the evolution of society (presentation by the representatives of the employees, ie periodic review of the financial statements of the Company). In the framework of their responsibilities, the company took the steps necessary to protect the safety and health of employees, including occupational risk prevention activities and training information, as well as the implementation of labor protection and means of organizing it. (Eg. Training periodic granting personal protective equipment, workwear, sanitary materials, periodic medical examination, etc.) SC ROMCARBON SA does not use child labor, do not engage in trafficking and do not in any way encourage these ideas. There are tolerated under any circumstances corporal punishment or mental pressure, physical or verbal or any form of inhuman treatment .

- * **to support freedom of association.** The Company respects the legal right of all staff to appoint representatives who negotiate on behalf and for them in regular negotiations collective bargaining agreement at company level. Employee representatives to ensure their protection of the law against all forms of conditioning, constraint or limitation of exercising their functions.

- * **Contribute to the elimination of discrimination in employment jobs, profession, and the wage determination.** Any direct or indirect discrimination against an employee based on sex, sexual orientation, genetic characteristics, age, national origin, race, color, ethnicity, religion, social origin, handicap, family status or responsibility, trade union membership or activity is prohibited in the Company.

- * **To combat any form of corruption.**

- * **To support educational activities..**

And in 2014 Romcarbon SA took part in the weekly program "Another kind of School "; thus, over 100 students, ages younger and older, visited the factory Romcarbon in week 7 to 11 April 2014.

- * to support different social groups (young deserving, sick or disabled people) by including donations and humanitarian assistance in extreme cases, to help people in need. The company is a founding member of **GREENLIFE ENVIRONMENTAL ASSOCIATION.**

The purpose of the Association is to represent, promote and support employers and professional interests of its members in relations with public authorities and other legal entities and individuals, to strengthen their authority and social prestige and act to modernize and develop the field of the protection environment in the international norms and standards. The Association aims to promote the spirit of human solidarity by organizing and supporting humanitarian actions.

In ROMCARBON organization runs the program on support employees and relatives of 1st degree for serious diseases and merit scholarships for the children of employees

- * **to support sports activities in the city of Buzau, by financial aids**

In the local community in which it operates, the company takes an active role by supporting community initiatives through financial and human resources.

- * Proactively address environmental issues and promote responsibility towards the environment.

In this regard, SC ROMCARBON S.A. Our aim is improving the quality of environmental factors and

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biodiversity conservation by promoting awareness of environmental issues and health.

SC ROMCARBON S.A. comply with environmental protection legislation privind, being involved in litigation regarding infringement legislation. Periodically evaluates compliance with laws, regulations and other requirements to which the organization subscribes.

SC ROMCARBON S.A. has implemented and certified an integrated quality management system certified by SRAC - environment-occupational health and safety standards ISO 9001: 2008; ISO 14001: 2005; OHSAS 18001: 2007

In the SC ROMCARBON S.A. identify all actual and potential environmental issues, including positive and negative aspects arising from indirect and companies that operate at the company and may affect environmental performance. Identification of environmental issues is based on systematic analysis of each process / subprocess (including their inputs and outputs) according to the procedure of system "PS 03 Environmental aspects" in situations of normal operation, abnormal (including starting and stopping) and emergency, accident .

In normal operating conditions the company's activity does not cause significant environmental impacts. Following the identification and evaluation of environmental aspects were developed management programs to improve the environmental performance of the company.

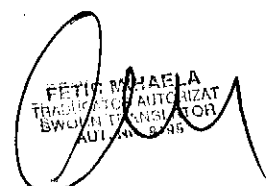
For a better quality of life, SC ROMCARBON S.A. has developed in recent years a number of social responsibility actions and punctual sponsorships were directed to different areas: education, health, social issues, environmental protection, such as participating in various events / campaigns / contests on the International Day Environment under the title "for a cleaner world!" / "We have only one Earth. Let's give priority!", organized each year on 5 June, with companies Greentech SA , Greenfiber International S.A. and Greenweee International S.A. Buzau.

Partners of these events are constantly Environmental Protection Agency Buzau, Buzau Prefecture and Municipality of Buzau.

In fact, environmental protection is an absolute priority, because SC ROMCARBON S.A. supports, in a decisive way, development, Buzau, a "industries" which proves more and more that the economy and the environment can survive together without compromise - "Green Industry".

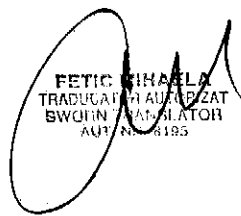
Since 2012 in the Center for profit no. 7 - Compound is pursuing Waste plastics by separating recyclable fractions and milling, extrusion, filtration fractions separated to obtain composite materials.

- Starting 4 September 2014 Romcarbon to become a member of the Romanian Association of Sanitation, which became meanwhile Romanian Association for Waste Management - ARMD; as final waste recycler, Romcarbon to support strands of this entity:
- Promoting sustained interests of its members;
- permanent involvement in the drafting of legislation on waste management in Romania;
- active involvement in waste management Association of Romania, through studies and market research;
- Initiation of contracts with organizations in order to attract funds and grants, both for members and for the sustainable development of the association's activities;



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As a socially responsible company, SC ROMCARBON SA aims, therefore, not only increase employee satisfaction, trading partners and its shareholders and increase the efficiency of the level of professional competence and human resources, including those available in the community.



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7. ANNEXES

- a) articles of association of the company, if they were modified for the reporting year;
- b) Major contracts in progress 2014

1. Major contracts undertaken in 2014 by SC ROMCARBON SA as seller:

- Contract of sale - purchase agreement concluded with S.C.KASAKROM CHEMICALS S.R.L, registered under the nr.3326 / 24.05.2012;
- Contract of sale - purchase agreement concluded with S.C LIVINGJUMBO INDUSTRY S.A, registered under No. 161 / 28.01.2010 extended by the addendum;
- Contract of sale - purchase agreement concluded with S.C LIVINGJUMBO INDUSTRY S.A, registered under nr.899 / 04.02.2010 extended by the addendum;

2. Major contracts undertaken in 2014 by SC ROMCARBON SA, as buyer:

- Contract of sale - purchase agreement concluded with S.C ROMPETROL RAFINARE SA registered under no. 3 of 05.01.2008 (extended by addendum).

- c) acts of resignation / dismissal, if there were such situations among administration members, executives, auditors;
- d) List the Company's subsidiaries and the companies controlled by it - see section. 4.1.lit. d
- e) List of affiliated trade company - see section. 4.1.lit. d

C.A. Chairman,
Hung Ching Ling

CEO : eng.Andrei Radu
CFO :ec. Zainescu Viorica Ioana

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f) The statement "comply or explain "

Principle / recommendation	Question	YES	NO	IF NO, EXPLAIN
P19	The issuer is administered in a dual system?		X	The Company's management is unitary.
P1	The Issuer has developed a Statute / Regulation of Corporate Governance to describe the main aspects of corporate governance?	X		
	Statute / Regulation of corporate governance is posted on its website, indicating the date of the last update?	X		
R1	In the Statute / Regulation of Corporate Governance are defined corporate governance structures, functions, powers and responsibilities of the Board of Directors (CA) and executive management?	X		
R2	Issuer's Annual Report includes a chapter on corporate governance describing all relevant events related to corporate governance, recorded during the previous financial year?	X		
R3	Issuer disseminate information on its website about the following aspects relating to corporate governance policy: a) a description of its corporate governance structures?	X		
	a) Incorporation date?	X		
	b) internal rules of operation / essential aspects for each commission / committee specialist?	X		
	c) Statement "Comply or Explain"?	X		
	d) the list of CA mentioning which members are independent and / or non-executive and executive members of committees / commissions specialist?	X		
	e) a short version of your resume for each member of the CA and the executive management?	X		
P2	Issuer respect the rights of holders of financial instruments issued by it, providing them fair treatment and submitting for approval any modification of the rights in special meetings of their respective holders?	X		
P3	Issuer publish in a dedicated section of its website details of the conduct of the General Meeting of Shareholders (AGA): • convening AGA?	X		
R4	• materials / documents related to the agenda and any other information relating to items on the agenda?	X		
	• power of attorney forms?	X		


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R6	The Issuer has developed and proposed AGA procedures for the orderly and efficient AGA works, without prejudice to the right of any shareholder to freely express their opinion on the matters under discussion?	X		
R8	Issuer publish in a dedicated section on the website of the shareholders' rights and the rules and procedures for participation in the AGA ?	X		
	Issuer provide timely information (immediately after the GMS) to all shareholders through the dedicated section of its website:	X		
	<ul style="list-style-type: none"> the decisions taken at the AGA? the detailed results of the vote? 	X		
	Issuers disseminated through a special section on their own website, easily identifiable and accessible:	X		
	<ul style="list-style-type: none"> Current Reports / communicated? financial calendar, annual, half-yearly and quarterly? 	X		
R9	Has the issuer a specialized department / person (a) dedicated (a) relationship with investors?	X		Mrs Genes Alina – Development Director
P4, P5	The CA meets at least once a quarter to monitor the activity of the Issuer?	X		
R12	The Issuer has a set of rules for behavior and reporting obligations transactions with shares or other financial instruments issued by the Company ("securities of the company") made by the directors in their own and other individuals involved?	X		
	If a member of the Board or executive management or any other person involved in their own made a deal with the company's shares, the transaction is disseminated through its website, according to the applicable rules?	X		
P6	Structure of the Issuer's Board of Directors ensures a balance between executive and non-executive directors (and in particular independent non-executive directors) such that no individual or small group of individuals can dominate, in general, the CA decision making?	X		
P7	Structure of the Board of Directors of the Issuer provide a sufficient number of independent members?	X		
P8	In its work, the CA has the support of advisory committees / commissions to examine specific topics, chosen by and for its advice on these topics?	X		
	Advisory committees / commissions finishes its activity reports on subjects assigned to them?	X		
R16	To assess the independence of its non-executive members, the Board uses the evaluation criteria set out	X		

		in Recommendation 16?			
P9	R17	Members permanently improve their knowledge through training / training in corporate governance?	X		
		Election of Board members is based on a transparent procedure (objective criteria regarding personal / professional qualification etc.)?	X		
P10		There is a Nomination Committee within the company?		X	The Company does not intend to establish such advisory committee that attribution nomination appointment of board members / executives belonging to the Articles of Association, excluding (i) shareholders (nominated members that under Law 31/1990), (ii) the General Meeting of Shareholders (members choice CA) or (iii) the Board of Directors (executive management members choice)
P11	R21	Board of Directors analyze at least once a year the need to set up a Remuneration Committee / remuneration policy for directors and senior executives?		X	The Company does not intend to establish such advisory committee attribution establish that application of the remuneration policy in the company owned exclusively General Meeting of Shareholders (pay / allowance board members) or the Board of Directors (executive management remuneration of staff respectively) within legal conferred on those bodies by the Act of incorporation and legislation companies.
		Remuneration policy is approved by the AGA?	X		Remuneration policy of the members C.A. approved by AGOA and remuneration policy in the company (ie remuneration of executive management staff) falls under the exclusive competence of CA Articles of Association of the Company and the


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				companies legislation.
R22	There is a Remuneration Committee consists exclusively of non-executive directors?		X	The Company does not intend to establish such advisory committee attribution establish that application of the remuneration policy in the company owned exclusively General Meeting of Shareholders (pay / allowance board members) or the Board of Directors (executive management remuneration of staff respectively) within legal conferred on those bodies by the Act of incorporation and legislation companies.
R24	Remuneration policy of the Company is presented in the Statute / Regulation of Corporate Governance?	X		
R25	Issuer publish in English information subject to reporting requirements: • periodic information (regular supply of information)? • continuous information (continuous supply of information)?		X	At company level there are under analysis solutions to align company policy recommended by the CGC.
	issuer prepare and disseminate financial reporting according to IFRS?		X	At company level there are under analysis solutions to align company policy recommended by the CGC.
R26	Issuer promote, at least once a year, meetings with financial analysts, brokers, rating agencies and other market specialists, in order to present financial elements relevant to the investment decision?	X		
R27	Has the Audit Committee?	X		
R28	CA and Audit Committee, as appropriate, regularly examine the efficiency of financial reporting, internal control and risk management system adopted by the company?	X		
R29	The Audit Committee consists exclusively of non-executive directors and have a sufficient number of independent directors?	X		

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R30	The Audit Committee meets at least 2 times a year, with the view to the preparation and dissemination of results to shareholders and annual and biannual public?	X		
R32	The Audit Committee makes recommendations regarding the selection, appointment, re-appointment and replacement of the financial auditor, and the terms and conditions of their remuneration?	X		
P14	CA has adopted a procedure to identify and adequately settle the conflict of interest?	X		
P15	Directors inform on conflicts of interest as they arise and abstain from deliberating and voting on such matters in accordance with the legal provisions?	X		
P16	Does the specific procedures adopted in order to ensure procedural fairness (criteria for identifying transactions with significant impact, transparency, objectivity, non-competition, etc.) in order to identify transactions with related parties?	X		
P17	CA has adopted a procedure for the internal and disclosure to third parties of documents and information relating to the issuer, considering especially information that can influence the market price of securities issued by it?	X		
P18	Issuer conducts Environmental and Social Responsibility Company?	X		

Chairman of the Board,
Hung Ching Ling

CEO eng.Andrei Radu
CFO :ec. Zainescu Viorica Ioana

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