



BUCHAREST STOCK EXCHANGE

PRESS RELEASE

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InvestingRomania: 10 STEPS TOWARDS CIVIC SHAREHOLDING

Considering that a modern capital market is an essential part of the financial sector and of the national economy, the community of individual investors and the Bucharest Stock Exchange (BVB), gathered at the **1st Individual Investors Forum**, adopted 10 recommendations aiming to support the development of the capital market. The solutions contained in these Recommendations are part of the **InvestingRomania**, program whose goal is to broaden investors' community in Romania and bring in larger flows of capital and savings towards the financial instruments available on the markets run by the Bucharest Stock Exchange.

"We think that increasing the interest of individual people and consumers in capital market must be fostered. For that we need to have concrete instruments which will give more benefits for individual investors to participate in the market and will give them a better feeling of safety when they invest into financial products. This is why we adopted, at the 1st Individual Investors Forum, 10 Recommendations which contain steps towards making the market more beneficial, more attractive and safer for individual investors. Like the case of the 8 Barriers, we identified the directions we need to go, and effective steps to achieve targets will be presented and analyzed together with our partners in this effort", stated Ludwik Sobolewski, CEO of Bucharest Stock Exchange.

RECOMMENDATIONS OF THE 1ST INDIVIDUAL INVESTORS FORUM HELD IN NEPTUN ON JUNE 27-28, 2014, REGARDING THE DEVELOPMENT OF THE ROMANIAN CAPITAL MARKET.

1. Better accessibility for individual investors

We support the policy to carry out privatisation through the capital market. Individual Investors and BVB consider that offering shares in privatised companies, along with dedicated measures to attract individual shareholdings, is in line with the interests of all capital market stakeholders, including those of entrepreneurs who might use the stock exchange to foster their business growth. Therefore, we support solutions like offering shares with discounts and guaranteed levels of allocation, as well as other instruments that make the IPOs of state-owned enterprises more attractive to individuals.

To be addressed to the Government of Romania.

2. New instruments for SMEs

Widening the range of available investments, especially in SMEs, should be one of the strategic goals of the capital market's institutions and regulators. This refers to equities market and a market for corporate debt instruments, both to be launched as on-exchange, transparent and safe markets.

To be addressed to the Minister Delegate for SMEs, Business Environment and Tourism, Ministry of Public Finance, Ministry of Economy, the ASF and the Bucharest Stock Exchange.

3. Pro-development taxation solutions

Building the civic shareholding of Romanian companies and enhancing growth of Romanian economy should be supported by fiscal measures, clearly promoting both medium and long-term investments of individual investors.

To be addressed to the Government of Romania and the Parliament.

4. Stronger corporate governance

Individual investors expect that BVB will contribute to the protection of minority shareholders' rights on the basis of a new Corporate Governance Code and an adequate enforcement, which will be implemented by Bucharest Stock Exchange at the beginning of this autumn. In our view, improving the corporate governance of listed companies is one of pre-requisites for attracting larger flows of funding into these companies.

5. No more barriers, only European standards instead

Individual Investors in Romania acknowledge that the elimination of the hurdles impeding the development of Romanian capital market, framed as **8 Barriers**, is a necessary step towards building a local investors' community and a robust capital market, more liquid, less costly and more attractive for the issuers of financial instruments and for all groups of investors. Therefore, great efforts shall be engaged by authorities, decision makers, regulators and financial institutions alike in order to swiftly continue these market reforms.

To be addressed to FSA, Ministry of Public Finance, Ministry of Justice, the Government of Romania and the Parliament.

6. Systemic measures for the safety of savings and investments

We believe that a radical improvement of the safety of individual investors' assets and savings, held as shares, bonds and other instruments, is needed to prevent any fraud, abuse or misuse of them by financial intermediaries. Individual investors stated that having a coherent strategy for developing the capital market as a tool for the economy requires the elimination of all incidents and risks that destroy investors' trust and confidence. It is needed to introduce systemic and general measures that prevent frauds from happening, through economic requirements imposed on the financial intermediaries, leading to more of accountability and responsibility - rather than focusing on individual incidents and measures adopted post-factum.

To be addressed to FSA.

7. Building participation of investors

Listed companies should enable individual investors to effectively participate at general meeting of shareholders and for the execution of voting rights, including the use of electronic participation and voting, in a way protecting the integrity and safety of this form of participation.

To be addressed to FSA, Ministry of Justice, the Parliament.

8. Protecting individual investors' rights

Bucharest Stock Exchange will propose an institutional solution to protect individual investors' rights by adequately monitoring how these rights are respected. Appointing an office and institution of Ombudsman for the Individual Investors' Rights will be considered.

To be addressed to FSA and Bucharest Stock Exchange.

9. Building an investors' community

Professional participants acting in the capital market should support organizations of individual investors such as investment clubs and other associations of individual investors with the mission of educating, training, protecting investors' rights, cooperating with market institutions and authorities with respect to the development of the market.

To be addressed to FSA, the Government, the Parliament, the Participants of the market and the Bucharest Stock Exchange.

10. Building a society of aware investors

Education and gaining the right skills and competencies regarding investments into financial instruments is a key component of the market which can provide benefits to all categories of players in the market. As private and public interests are engaged, a private-public partnership should be formed, led by the Bucharest Stock Exchange, associations of individual investors, organizations active in the field of economy, the ASF, National Bank of Romania and the Romanian Government.

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