# REPORT REGARDING THE TRADING OF ALUM'S SHARES ON THE REGULATED MARKET OR ON THE ALTERNATIVE TRADING SYSTEM

# I. SCOPE OF THE REPORT

- According to the provisions of Law 151/2014 regarding the clarification of the legal status of the shares traded on the RASDAQ market or on the unlisted securities market, any company of which the shares are traded on RASDAQ market or on the unlisted shares market has the obligation to elect, within maximum 120 days from the entering into force of the law (27.10.2014) by a resolution of the Extraordinary General Meeting of the Shareholders to:
  a) list and trade the company's shares on a regulated market or
  b) trade the company's shares on an alternative trading system ( ATS)

- As per provisions of the Law 151/2014 the company has to present to the shareholders for their information with the view of taking the above mentioned decision into the Extraordinary General Meeting of the Shareholders, a report as regards presentation of the trading markets ( regulated and ATS) and their legal framework

- This report is elaborated for the information of the shareholders according to the requirements of the law

# II. ROMANIAN CAPITAL MARKETS

- Capital market operations are managed and supervised by the Financial Supervisory Authority (FSA), autonomous administrative body subordinated to the Romanian Parliament. The FSA issues the legal framework for capital market activities (trading, public offerings, asset management, brokerage); licenses capital market operations (new stock and bond issues, issuer corporate actions); supervises capital market participants. The capital market in Romania is regulated by Law No. 297/2004 and by other FSA regulations.

- There are two market operators in Romania: the Bucharest Stock Exchange (BSE) and Sibex – Sibiu Stock Exchange.

  The main market of BSE is a spot regulated market where financial instruments such as shares and rights (issued by international and Romanian entities), debt instruments (corporate, municipality and government bonds) issued by Romanian entities and international corporate bonds, UCITs (shares and fund units), structured products and ETFs are traded

  As opposed to BSE, Sibex focuses almost exclusively on the exchange of derivative financial products and is Romania's first and largest market of Futures and Options contracts to the day. Contracts are based on Romanian stock index, currencies, cross rates, interest rates, and gold price

# III. REGULATED MARKET – REQUIREMENTS FOR ADDMISION TO TRADE

In order to be listed on the regulated market, a company has to fulfill a number of requirements prior to its listing on BSE:

*1. BVB and FSA requirements:*

a) Be a joint stock company (SA)
b) The shares to be registered in the FSA records, to be freely transferable, fully paid, issued in dematerialized form and evidenced by registration in the account, to be of the same class
c) Have the value of anticipated capitalization or proper capitals of at least 1 million euro
d) Have a free -float of at least 25%
e) Be active on the market for the last 3 years and have available financial reports from that period.

2*. Additional requirements*

*2.a. Category I*:

a) To have at least 2,000 shareholders
b) The value of the equity or the anticipated capitalization of at least 30 millions EUR
c) To have profit on the last two years of activity

2.b. Category II:

a) The value of the equity or the anticipated capitalization of at least 2 millions EUR
b) There are no requirements as regards the profit or the number of shareholders

2.c. Category III: the are no additional requirements as regards the equity, profit or number of shareholders

***The requirements mentioned at 1.d, 2.a (a) and (c) and 2.b.(a) are not* fulfilled by ALUM**

# IV.ATS MARKET

vimetco alum

- Alternative trading system (ATS) was created in order to allow listing of securities issued by Romanian companies and trading of foreign stocks listed on other markets.
- It addresses all types of companies, regardless of their size or time since establishment
- Is for both shares and bonds, as well as for other financial instruments that do not comply with the requirements of the regulated market,
- The listing features are simplified, as there is no need for a prospectus to be admitted to trading, but only for a corporate presentation,
- The reporting requirements are low as compared to the regulated market,
- A company may prepare to get transferred on the regulated market by gradually increasing the free float, the cash and others.
- The ATS's structure has the following sections:
    A. Section of the financial instruments listed on ATS ( with two categories: Category I and Base Category)
    B. Section securities admitted to be trade, also, on a regulated market and
    C. Section New Market

# V. CONDITIONS FOR ADMISSION TO TRADING ON ATS (1)

The Company's shares may be admitted to trading on ATS in Category I or in Base Category.

**a. Admission of shares in the Category I, the following requirements must be cumulatively fulfilled**:

*a.1. Conditions regarding the shares*:

- to be registered in the FSA records;
- to be freely transferable, fully paid, issued in dematerialized form and evidenced by registration in the account, to be of the same class;

*a.2. Conditions regarding the Company*

- the average capitalization of the last 6 months is at least the equivalent in lei of EUR 1 million, or the value of proper capitals of the last accounting period is of at least the equivalent in lei of EUR 1 million, computed at the BNR official exchange rate on the registration date at BSE of the admission request to trading in the Category I;
- the Company must have been operational for last 3 years before the admission to trading request and to have concluded the financial statements for the same period, in accordance with the legal provisions, and must be communicated to BSE;
- to have a registry service supply agreement with the Central Depository;
- not be in state of bankruptcy;
- to request the trading within ATS.

# V. CONDITIONS FOR ADMISSION TO TRADING ON ATS (1)

vimetco alum

**b. Admission of shares in the Base Category, the following requirements must be cumulatively fulfilled**:

*b.1. Conditions regarding the shares*:

- to be registered in the FSA records;
- to be freely transferable, fully paid, issued in dematerialized form and evidenced by registration in the account, to be of the same class;

*b.2. Conditions regarding the Company*

- to have a registry service supply agreement with the Central Depository or, if necessary, to benefit by the confirmation of the Central Depositary regarding the fulfilment of clearing settlement and registration conditions, necessary for the trading of respective financial instruments;
- not be in state of bankruptcy;
- to request the trading within ATS.

# VI. PROCEDURE FOR ADMISSION TO TRADING ON ATS (1)

vimetco alum

**1. Approval of the Company's Extraordinary General Meeting of Shareholders**

The Company's competent body for deciding the admission of the Company on trading to ATS is the Extraordinary General Meeting of Shareholders.

**2. Submitting application file to BSE**

The following documents shall be submitted to BSE:

- application for admission to trading;
- proof of completion of the agreement with the Central Depository or, if necessary, the Central Depository' confirmation of fulfilling the related conditions, if registry operations are performed by other depository, subject to legal provisions;
- copy of the Certificate of Securities Registration issued by FSA;
- copy of the Certificate of Registration with the Trade Registry Office;
- a presentation document, in electronic and hardcopy format;
- the latest financial statements: annual and half yearly, and in case of listing on Category I the last three annual statements and the statement for the last semester, if they were already prepared on the date the documentation was submitted;
- resolution of the Company's Extraordinary General Meeting regarding the trading on the ATS;
- proof of payment for the processing fees to BSE.

# VI. PROCEDURE FOR ADMISSION TO TRADING ON ATS (2)

vimetco alum

### 3. Obtaining the consent of BSE on the application filled by the Company:

- the necessary documents are submitted to the specialized department (SD) of the BSE;
- SD analyses the documents, requires supplements if necessary and establishes a recommendation note to the Listing Committee (the Committee);
- the Committee's proposal will cover the admission to trading of the Company's financial instruments and the designation of a certain category of ATS to be listed in;
- the BSE Board of Directors will decide on the admission to trading of the shares instruments on the ATS.

# VII. APPLICABLES FEES – ATS

- the Admission Fee shall be of 0.02% of the Company's net asset. The Admission Fee shall not be less than 3,600 RON and shall not exceed 7,500 RON excluding VAT;

- the Processing Tariff is 1,200 RON excluding VAT;

- the Maintenance Fee shall be of shall be of 0.02% of the Company's net asset. The Maintenance Fee shall not be less than 3,600 RON and shall not exceed 7,500 RON excluding VAT, annually

# VIII. OTHER REQUIREMENTS

- Once listed on ATS, the Company will send periodical reports, respectively annual, biannual, quarterly (to the extent that they are prepared) and current reports (continuous information) regarding the main important events occurring in the Company's activity, that can lead to changes for the market price of the financial instruments, such as calls for and decisions of the General Meeting of Shareholders or of the Board of Directors, payment of dividends and other information.

- These reports are similar to the ones sent by the Company when listed on Rasdaq market, based on the provisions of Regulation no. 1/2006 issued by N.S.C. (presently FSA) regarding the issuers and securities operations.

- BSE may decide the suspension from trading of the shares of the company who refuses or forgets to send to ATS, in real time, the mandatory reports. BSE will issue half-yearly surveys regarding the companies' compliance with the reporting obligations and will notify FSA the non-compliance cases of companies for their obligations regarding the periodical and continuous reporting.