

No.	Shareholder question addressed on the Ordinary General Shareholders Meeting (OGSM) held on 24.04.2017	BCR answer												
1	<p><u>Related to item 1.1</u></p> <p>One of the components of Operating Expenses, which has significantly contributed to the above-mentioned increase in Operating Expenses, is Personnel Expenses, which have continuously increased over the past years, by 2% in 2016 compared to 2015 and by 9% in 2015 compared to 2014, despite the deteriorating Operating Income:</p> <table border="1" data-bbox="226 548 957 708"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Personnel expenses</td> <td>658,4</td> <td>716,7</td> <td>729,9</td> </tr> <tr> <td></td> <td></td> <td>9%</td> <td>2%</td> </tr> </tbody> </table> <p>As shown also on page 27 of the financial statements, the number of employees both of the Bank and of the Group is stable. Also on page 27, it is stated, “the Group’s Personnel Expenses have increased in 2016 by RON 13.1 million compared to 2015 mainly due to the improvement in the Retail sales force”.</p> <p>Taking into consideration that the number of employees is stable in 2016 compared to 2015, what exactly does represent the increase by RON 13.1 million due to “improvement in the Retail sales force”? Is it an increase in the salaries/bonuses paid to Retail personnel?</p>		2014	2015	2016	Personnel expenses	658,4	716,7	729,9			9%	2%	<p>The reported number of FTEs represents end of period figures (31.12.2016 vs 31.12.2015). The increase in costs is due to a higher monthly average number of FTEs in 2016 vs. 2015 mainly in Retail area. This increase in number of FTEs in Retail is not visible in Dec’16 vs Dec’15 figures due to decreases in other areas of the bank (mainly R-unit restructuring).</p>
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Personnel expenses	658,4	716,7	729,9											
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2.	<p><u>Related to item 1.1</u></p> <p>BCR’s strategy to focus on “improvement in the Retail sales force” appears not to have had a positive impact on the Operating Income, which, as shown above, has continuously and significantly decreased in 2016 and in 2015. What is the Bank’s strategy in respect of the corporate sales force?</p>	<p>The corporate sales force has benefited from investments in technical and soft skills primarily aimed at enhancing client service capabilities, financial structuring capabilities, as well as macro-economic & sector knowledge. BCR targets to attract best talent on the market and become employer of choice.</p>												

<p>3.</p>	<p><u>Related to item 1.3</u></p> <p>I understand the scope of the document, I've seen some elements regarding the evaluation of the Supervisory board and Executive Committee collectively.</p> <p>However, I have not seen anything regarding the individual evaluation of each and every member of the management body, as required by regulations.</p> <p>The document proposes to the shareholders to evaluate the members without providing any input, any document, any reference to their individual performance.</p> <p>I would kindly ask the Chairman of the Nomination Committee to briefly present the main elements of the analysis of each members contribution to the governance of BCR.</p>	<p>The assessment of the BCR management bodies activity and suitability is regulated through the following provisions of the bank's internal rules:</p> <p>1. BCR Charter – art. 11.2 letter d): <i>“11.2 The ordinary General Meeting of Shareholders debates and decides upon the following matters: d) assessment of the activity of the members of the Supervisory Board and of the Management Board and release on the management performed by the Management Board for the preceding financial year.....”</i></p> <p>2. BCR Nomination Committee Internal Rules – art. 2.3.2 (iii) and (iv): <i>“The Nomination Committee shall have the following duties and responsibilities: (iii) at least annually assesses the structure, size, composition and collective performance of the Management Board and Supervisory Board, respectively, and makes recommendations to the Supervisory Board with regard to any changes; (iv) at least annually assesses the knowledge, skills and experience of individual members of the Management Board and Supervisory Board, respectively and of the Management Board and Supervisory Board collectively and reports to the Supervisory Board accordingly; ”</i></p> <p>3. The procedure referring to the Suitability assessment of the BCR Management Board members art. 2.3.3 <i>„The Nomination Committee submits the results of the annual Management Board suitability re-assessment, together with the relevant documents, information and evidences to the Supervisory Board for information.”</i></p> <p>4. The Procedure referring to the Process of Nominating and Assessing the Suitability of SB Members – art. 4.3 <i>“The Nomination Committee submits the results of the annual suitability re-assessment, together with the relevant documents, information and evidences to the Supervisory Board and to the Ordinary General Shareholders Meeting for information.”</i></p> <p>Considering the above mentioned provisions we would like to stress the following:</p>
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4.	<p><u>Related to item 1.4</u></p> <p>On December last year the National Bank of Romania has issued Rules on sound remuneration policies, according to CRD IV and EU Regulation no. 75.</p> <p>These Rules clearly prescribe the shareholder’s involvement in the approval of the staff remuneration policy, not only for board members.</p> <p>According to BNR Rules, until the end of March this year, every bank had to implement the standards.</p> <p>This topic I have not seen on the GSM agenda.</p> <p>What is the status of this process?</p> <p>How does the management body intend to comply with these Rules in order that shareholders can make informed decisions based on adequate information regarding the remuneration policy?</p>	<p>BCR updated in December 2016 (SB Minutes no. 29/12.12.2016) the Remuneration Policy for the management body and other identified staff with the provisions of the EBA Guidelines on Sound Remuneration Policies GL 2015 22.</p> <p>As mentioned under chapter 2.2 article 38 of the Guideline, the approval of the Remuneration Policy can also be appointed to the GSM.</p> <p><i>“38. Depending on the institution’s legal form and on the applicable national law, the approval of an institution’s remuneration policy and, where appropriate, of decisions relating to the remuneration of members of the management body and other identified staff may also be assigned to the shareholders’ meeting, in accordance with national company law. The shareholders’ vote may be either consultative or binding”.</i></p> <p>In the case of BCR, this responsibility is assigned to the Supervisory Board, as per the provisions of NBR Regulation no. 5/2013.</p>