

**Report of the Board of Directors on the individual financial statements of
COMELF SA prepared according to the Order of the Ministry of Public Finance no.2844 / 2016**

For the financial year: 2019

Company name: COMELF SA

Headquarters: Bistrița, Strada Industriei nr. 4

Phone / fax number: 0263 234462; Fax : 0263 238092

Unique registration code at the Trade Register Office: 568656

Registered business number in the Trade Register: J06 / 02/1991

Subscribed and paid share capital: 13,036,325.34 lei

The regulated market on which the issued securities are traded: Bucharest Stock Exchange

The main characteristics of the securities issued by the company:

- Dematerialized registered shares in a number of 22,476,423 with a nominal value of 0.58 lei / share.

The Board of Directors of Comelf SA Bistrița, appointed by the General Meeting of Shareholders, has prepared, for the financial year 2019, the present report concerning the balance sheet, the profit and loss account, the statement of changes in equity, the statement of cash flows, accounting policy and explanatory notes included in the individual financial statements for the year 2019. These financial statements are presented together with the Audit Report and this Directors' Report and refers to:

Equity:	72,094,682 RON
Total revenue:	143 842 653 RON
Profit for the period:	2,624,114 RON

The financial statements have been prepared in accordance with:

- (i) Accounting Law 82/1991 republished in June 2008 (Law 82);
- (ii) The provisions of Order no. 2844/2016;

As of 2012, the company presents individual financial statements prepared in accordance with the provisions of Order 2844/2016 (previously Order 1286/2012) for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to trading companies whose securities are admitted to trading on a market. regulated, with subsequent modifications and clarifications the requirement imposed by Order 881/2012.

The company COMELF was audited by the independent auditor Comit Expert-Ace SRL The results of the Company's audit are presented in the Independent Auditor's Report Audit Coman Expert-Ace SRL

1. Analysis of the Company's activity:

i. Description of the basic activity of the Company:

The company operates on the basis of the Law no. 31/1990 concerning Companies (with the amendments and further completions), of the Capital Market Law no.297 / 2004 and of the Law 24/2017 regarding the issuers of financial instruments and market operations. According to article 6 of the Articles of Incorporation updated in November 2019, the object of activity of the Company is "**Manufacture of machinery and equipment for earthmoving works, power plants and environmental protection, lifting and transporting equipment, including their subassemblies.**"

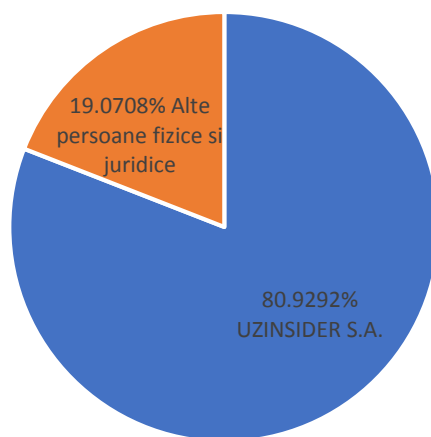
ii. Date of establishment of the Company:

The company COMELF SA is a joint stock company established in Romania, in 1991, on the structure of the Bistrița Technological Equipment Company.

iii. Changes in company shares, significant mergers or reorganizations of the Company or of the subsidiaries, during the financial year:

COMELF is a Company with a majority Romanian capital and since 1995 COMELF has been listed on the Bucharest Stock Exchange, being part of the 12 founding companies. The share capital subscribed and paid at the end of the 2019 financial year is 13,036,325.34 LEI. The structure of the shareholders at the end of the period analyzed is (*Source: Central Depository as of 31.12.2019*):

Shareholder structure on 31.12.2019



COMELF is a manufacturing company in the field of machine building industry and has as object the manufacture of equipment for power stations and for environmental protection, metallic structures in the field of renewable energy (source: water, wind and sun), earth-moving machinery or subassemblies of such, lifting and transport equipment, including components of such. In order to carry out the activity, the company owns and operates a total of 16 buildings with a total area of 89,849 sq. m., of which the main production activity is carried out in 6 production halls equipped with machines, installations, machine tools for machining, laboratories and utilities networks for carrying out the production processes.

On November 14, 2019, the Extraordinary General Meeting of Shareholders approved the completion of the activity of the company with three other activities, CAEN code 2540 - Manufacture of armament and ammunition, CAEN code 2910 - Manufacture of road transport vehicles, CAEN code 3040 - Manufacture of military vehicles fight, in order to authorize and manufacture parts of equipment for the defense industry.

As at 12/31/2019 COMELF SA does not hold participations in other companies and does not hold Subsidiaries.

iv. Description of acquisitions and / or transfers of assets:

The total value of the assets at December 31, 2019 was 154,931,916 LEI, with 10,475,741 LEI lower than the value recorded at the beginning of the year, the difference coming from the decrease of the company's fixed assets on account of the depreciation (7,390,556 LEI) offset by the investments in fixed assets, in 2019 (2,654,710 lei), from the decrease of current assets (5,739,895) and here, **in detail**,

subtract the values of all the components of other current assets, except the cash available and the cash elements that double at the end of 2019 compared to the beginning of the year ;

v. The main results of the evaluation of the company's activity:

Statement of profit and loss account, respectively of the revenues and expenses grouped by their origin during the year 2019, it is presented as follows:

Profit and loss account (Thousand lei)	Year 2019	Year 2018	Differences
Turnover	149,263	151,767	(2,504)
Other operating income, TOTAL-of which:	(3,050)	4232	162
Variation of stored production (+/-)	(5,420)	1,499	(6,919)
Income from operating grants	11	88	(77)
Revenues from investment grants	1,577	1,580	(3)
Other operating revenues	782	1065	(283)
Operating Income - TOTAL	146,213	155,998	(9,785)
Expenditure on raw materials, consumables, utilities, commodities	66,012	72,334	(6,322)
Staff costs	47,509	47,595	(86)
Provisions expenses, depreciation and amortization adjustments, TOTAL-of which:	7,149	1,600	5,549
Depreciation expenses	7,391	7,721	(330)
Provision expenditure on current assets depreciation	(48)	37	(48)
Adjustments for risk and expense provisions	(194)	(6,178)	(5876)
Other operating expenses	21,151	30,903	(9,751)
Operating Expenses- TOTAL	141,820	152,131	(10,310)
Operating profit-TOTAL	4,393	3867	(1612)
Financial income	2,113	2,001	112
Financial expenses	3,518	2,646	873
Financial result	(1,405)	(645)	761
Total revenue:	148,327	158,459	(10,132)
Total expenses	145,339	155,238	(9,899)
Profit and loss account (Thousand lei)	Year 2019	Year 2018	Differences
Gross result	2,988	3,221	(233)
Net result	2,624	2,815	(191)
EBITDA	11,784	11,313	471

EBITDA was determined as follows:

Indicators (thousand lei)	2019	2018	Differences
Operational Profit	4,393	3,867	526
Depreciation expense	7,391	7,721	(2751)

Changes in the asset are as follows:

Asset (thousand lei)	Year 2019	Year 2018	Differences
1.1. TOTAL fixed assets, of which:	87,552	92,125	(4,573)

1.1.1. Fixed tangible assets	37,174	39,154	(1,980)
1.1.2. Fixed real estate assets	49,770	52,379	(2,609)
1.1.3. Intangible fixed assets	608	592	16
Asset (thousand lei)	Year 2019	Year 2018	Differences
1.1.4. Financial assets	-	-	-
1.2. Current assets TOTAL, out of which:	67,263	73,283	(6,020)
1.2.1. Stocks of raw materials and materials	6,141	7,355	(1,214)
1.2.2. Stocks of finished products and production in progress	18,193	23,614	(5,421)
1.2.3. Trade receivables and the like, total, of which:	35,755	37,906	(2,151)
- Trade receivables	33,599	35,704	(2,105)
1.2.4. Income Tax to be recovered	-	-	-
1.2.5. Other receivables and advances for fixed assets	2,156	2,202	(46)
1.2.6. Cash and cash equivalents	7,528	3,738	3,790
Total Assets	154,932	165,408	(10,476)

The liability structure of the company's balance sheet at December 31, 2019 is as follows:

Liabilities (thousand lei)	Year 2019	Year 2018	Differences
1.1. Total share capital, of which:	13036	13036	-
1.1.1. Subscribed share capital	13,036	13,036	-
1.1.2. Adjustments to the share capital	8,812	8,812	-
1.1.3. Other capital items	(8,847)	(9,183)	336
1.2. Revaluation reserves	43,219	45,318	(2,099)
1.3. Legal reserves	2,607	2,607	-
1.4. Other reserves	13,534	12,125	1,409
1.5. Company owned shares	-	-	-
Liabilities (thousand lei)	Year 2019	Year 2018	Differences
1.6. Reported result	(2,891)	(3,593)	702
1.7. The result of the fiscal year	2,624	2,815	(191)
Total equity	72,095	71,938	157
1.2. Long-term debt	17,805	20,922	3,117
1.2.1. Loans and interest-bearing debts	1,728	3,553	(1,825)
1.2.2. Deferred tax liabilities	9,436	9,692	(256)
1.2.3. Provisions for risks and expenses	163	190	(27)
1.2.4. Deferred income liabilities	6,478	7,487	(1,009)
1.3. Current debts	65,032	72,548	(7,516)
Trade and similar payables, of which:	26,541	35,394	(8,853)
Trade payables	21,124	28,931	(7,807)
1.3.2. Loans and interest-bearing loans	34,865	33,830	1,035
1.3.3. Other debts	5,417	6,463	(1,046)
1.3.4. 1.2.3. Provisions for risks and expenses	1,698	1,316	382

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1.3.5. Deferred income liabilities	1,592	1,595	(3)
1.3.6. Deferred tax liabilities	336	413	(77)
Total debt	82,837	93,470	(10,633)
Total equity and debt	154,932	165,408	(10,476)

The Equity of the Company has grown in the 2019 financial year with 157 thousand lei.

Legal reserve is 2607 thousand lei and represents 20% of the share capital.

Total debts of the Company decreased by 10,633 thousand lei, in particular due to the reduction of debts to suppliers by 7,807 thousand lei, the reimbursement of part of the credit for working capital, respectively 438 thousand euros, and of other debts, i.a. with salaries and assimilated with the decrease of the number of personnel, income tax, dividends as a result of the payments made in 2019 but also of the transfer of the unclaimed and prescribed amounts, related to the period 2011-2014 to other operating revenues, based on HAGOA 59 / 18.04.2019.

The provisions of the company grew by 355 thousand lei being influenced by:- Reduction of provisions for employees' retirement benefits by 27 thousand lei in the context in which 36 persons had retired in 2019 and the updated amounts related to the persons remaining in the unit and who could fulfill the conditions necessary to benefit from this right did not cover the payments performed for the 36 retired persons.- Reduction of provisions for rest holidays related to previous years, including 2019, and not made until 31.12.2019;- The sum of 503 thousand lei constituted additionally, represents provisions for commercial penalties at the end of 2019 for which there is the probability of becoming certain in the next period.

The evolution of current assets and current liabilities is as follows:

Indicators (thousands lei)	2019	2018
Current assets	67,543	73,283
Current debts	65,032	72,548
Net current assets	2,511	735

The organization of the accounting was achieved through the Centralized Economic Department, at the company level, on Business Units, through which it was followed and realized the correct and up-to-date keeping of the accounting operations, respecting the accounting principles and the accounting rules and methods provided in the regulations in force. The balance sheet was drawn up on the basis of the trial balance, the synthetic accounts and the observance of the methodological norms and of the rules for drawing up the balance sheet, the items entered in the balance sheet with the data recorded in the accounting being agreed with the real situation of the patrimonial items based on inventories.

The profit and loss account reflects actual earnings, expenses and financial results for 2019. The company carried out the inventory of the entire patrimony, the inventory results being recorded in the accounting and in the balance sheet. The Company has organized the preventive financial control activity.

The internal audit activity was ensured in the financial year 2019 by Acon Audit SRL.

Elements of general assessment

a). Profit / (loss):

Indicators (thousand lei)	2018 realised	2018 realised
Gross profit (loss)	2,988	3,221

Net profit (loss)	2,624	2,815
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Net profit: decreased in 2019 compared to the one realised in 2018, mainly influenced by: (i) the wage costs, especially those related to the directly productive personnel that increased in line with the evolution of the labor market and the average growth was above the evolution of the turnover (+ 5.77% at the company level); (ii) the evolution of the LEU / EUR exchange rate in 2019 generated additional financial losses of 653 thousand lei;

b). Turnover:

Indicators (thousand lei)	2019 realised	2019 Budget	2018 realised	Δ% vs. 2018	Δ% vs. Budget
Turnover	149,263	156,438	151,767	-1.72%	-4.59%

The turnover declined in 2019 compared to 2018, mainly due to the reduction of the number of directly productive personnel (on average by 10.57%).

c). Export and intra-community deliveries(LIC):

Indicators (thousand lei)	2018 realised	2018 realised	Δ% vs. 2018
Turnover	149,263	151,767	-1.72%
Direct Export or LIC -EUR	26,634	29,044	-8.30%
Direct Export or LIC -LEI equivalent	126,465	135,158	-6.43%

In 2019, the volume of revenues from export operations, including direct intra-Community deliveries, decreased by 8.30%, compared to the previous year.

d). Costs:

Expenses (thousand lei)	2019	2018
Raw materials, consumables used and goods		
Expenditure on raw materials	51,831	56,232
Expenses on consumables	9,798	11,542
Expenditure on goods	22	625
TOTAL	61,651	68,399
Employee Benefits Expenditures		
Wages	42,842	43,044
Contributions to the National Social Insurance Fund	2,052	1,977
Other taxes and contributions related to salaries	-	-
Meal tickets	2,551	2,162
Other benefits related to wages	63	504
Revenue from operating subsidies for. personnel payment	(11)	(88)
TOTAL	47,497	47,599
Other expenses		
Transportation expenses	6,968	7,294
Utilities expenses	4,464	4,464
Expenditure on services performed by third parties	8,548	11,679
Expenses with damages, fines, penalties	308	6,887

Entertainment, publicity and advertising expenses	111	120
Other general expenditure	1,394	1,248
Expenses with other taxes and fees	1,109	1,443
Expenses for repairs	1,170	839
Travel expenses	324	303
Expenses on rents	715	546
Postage and telecommunications costs	88	85
Expenditure on insurance premiums	418	460
TOTAL	25,617	35,368

e). Market share:

Given that the company's products are diversified, a global market share can not be determined.

f). Cash resources:

The cash amount held in accounts by the Company as of December 31, 2019 is 7,528 thousand lei.

2. Review of the technical level and the sales activity of the Company

The COMELF range of products is structured on five main lines, as follows: (1) Machinery for power generation; (2) Environmental protection equipment; (3) Lifting and handling equipment; (4) Lifting and handling equipment; (5) Other Industrial equipment; The Sales Department, by project managers specialized on product and customer types. Comelf products are delivered in Germany, Belgium, Switzerland, Hungary, The USA.

The manufacturing activity of the Company takes place within the factories, organized as business units:

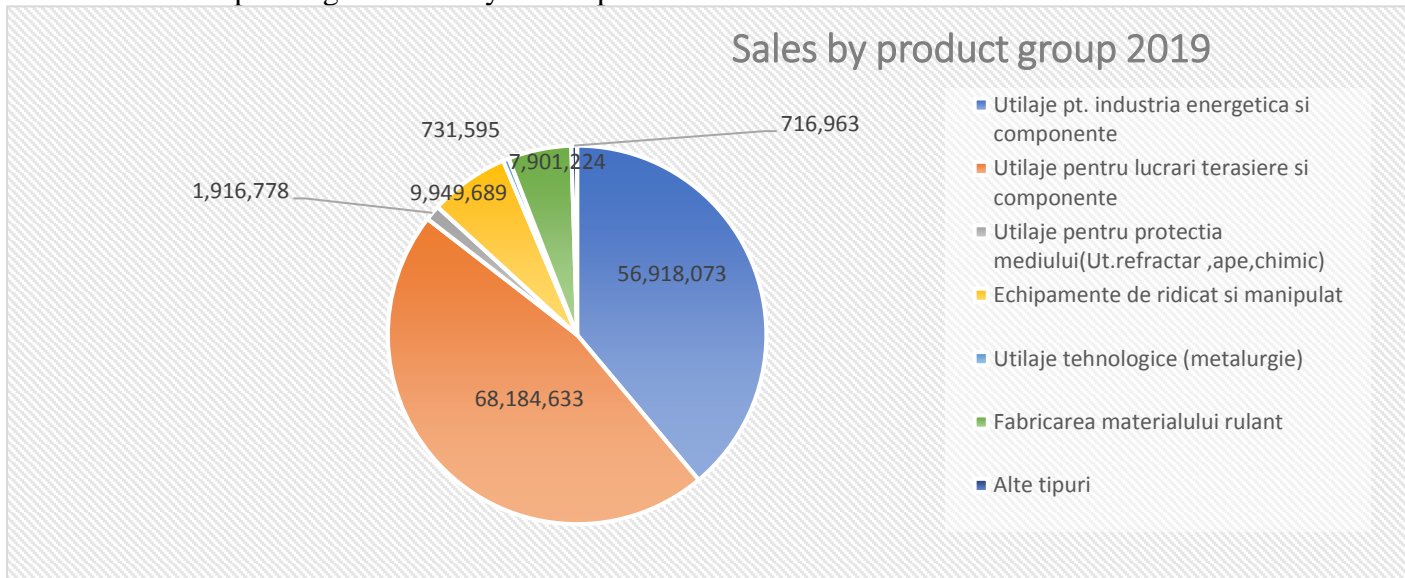
- ❖ Stainless Steel Products Factory ("FPI")
- ❖ Factory for Earth-Moving Machinery and Parts, Bag-Filters and Electrostatic Precipitators ("FUET")
- ❖ Factory for Earth-Moving Machines and Components ("TERRA")

In 2019 the activity of the company was carried out without interruption. In 2019, new products and new

BU	Customer	Product
FPI		
FCT		

FUET		

Share of operating revenues by main operational lines in total revenues for 2019:



The Company's commercial policy is to avoid significant dependence on a single Customer (no more than 18.39% of the total turnover, as follows:

Partner	Share in revenue(> 10%)	Income	Revenue pertaining to Segment
Siemens	18.39%	27,448,080	Equipment and parts for power-generation industry: FPI-FUET
Tesmec	11.34.%	16,925,224	Components for earth-moving equipment and railway vehicles and parts:FUET + FCT

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General Electric	4.16%	6,202,749	Equipment and parts for power-generation industry: FPI-FUET
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3. Assessment of the technical-material procurement activity:

The procurement activity has as an objective to provide at all times and in the most advantageous conditions the raw materials required for carrying out the company's manufacturing activities.

Starting with June 2018, the procurement activities is done in a centralized manner by merging, all p LOGISTICS (DPL) Within the newly established department, the purchasing departments, the warehouse se Organizing in such a manner has the following advantages:

1. The purchase of larger quantities of materials allows to obtain a more lower price from the suppliers;
2. Procurement of larger quantities means that the supplier handles such orders more carefully;
3. Centralized procurement allows standardization of purchased products and therefore guarantees a co
4. Higher specialization of staff for example one person becomes well acquainted with plates, another materials;
5. The consolidation of several smaller orders reduces the administrative costs, the time needed for neg
6. The interaction with suppliers is simplified because there are fewer persons involved;
7. Lower transport costs as orders are transported in larger quantities;
8. Lowering the risk of excessive stocks for some materials, for example in the current situation, there factories remain stuck, implicitly freezing financial resources.

The management of the procurement activity is carried out on the basis of the requests for materials i have placed with us.

Procurement departments and the warehouse sector are required to permanently check the inventory o avoid financial bottlenecks.

According to Comelf procedures there is a database for suppliers selected and evaluated based on qual

Moreover, through the supplier control department, periodic plans for supplier auditing are set up to ma

The purchase orders are issued after reviewing the offers received from at least 2 suppliers, selecting price, the delivery term, the payment conditions etc.

4. Reviewing aspects pertaining to Company Employees:

The average number of staff dropped during 2019 from 878 in 2018 to 794 employees in 2019. The personnel structure was as follows:

	2019	2018
Executive Managers	7	7
Blue collar personnel	482	548
White collar personnel and Administration Staff	305	323
Total	794	878

According to the Labor Code, within COMELF, the minimum wage can not be lower than the gross minimum wage. In addition, within the Company, besides the basic salary of actual working time or working norm (in case of blue collars paid in individual agreement), the following categories of bonuses are granted: night shift increment, overtime bonus, bonuses for work on weekly rest periods, for work in the environment with toxic gases, bonuses for the heads of the micro-teams/teams

Also, the Company has implemented a reward system for its employees at the time of retirement, with the equivalent of a fixed amount, which evolves in an increasing number depending on the number of years of work done within the company. The Company registered provisions for these payments. In 2018, negotiation of a new Collective Labor Agreement was started at the company level with the

employees' union, which was signed and lodged at ITM Bistrița-Năsăud on 29.01.2019, valid until 31.01.2021

5. Reviewing aspects related to the impact of the Company's core activity on the environment

COMELF's activity has inherent effects on the environment. In order to minimize these effects, there is a preventive approach at the company level and a permanent monitoring of the entire activity by dedicated and specialized people on environmental issues. The main objectives of the company's management on environmental protection are to keep fugitive emissions within the legal limits, below 20% relative to the annual consumption of corrosion protection materials, to reduce the quantities of waste from the activities carried out in the anticorrosive protective workshops and to continue the training of to all employees in terms of selective waste collection.

In order to carry out the production processes, Comelf has obtained:

- Water Management Permit no. BN 76/10/24/2019, issuer Somes-Tisa Basin Water Administration, Bistrita-Nasaud Water Management System, valid until the date of 10/24/2024;
- Environmental permit for operation no. 127 / 08.08.2011, revised on 06.12.2016, issued by MMGA-BN Environmental Protection Agency, valid 08.08.2021
- Certification of Integrated Quality, Environment, Health and Safety Management System in accordance with ISO 9001: 2015, ISO 14001: 2015, and ISO 45001: 2018;

6. Reviewing R & D aspects:

Taking into account the specificity of the company's activity and the fact that the Company's activity is a specialized one, requiring superior technical knowledge, there is at the company level a Design Department that has besides the specific activity pursuits related to the preparation of the production on 3D models of new products and solutions, specific to the domain in which we operate. Moreover, the market on which we operate and the increasingly specialized requirements of our clients impose a permanent activity of improving the existing products in the portfolio. In addition, the company has developed partnerships with Technical Universities in Romania and England, with which it constantly makes an exchange of experience on the identification of new technical solutions and new product development.

7. Evaluating the company's risk management activity:

(a) Credit risk

Credit risk refers to the risk that a third party will not comply with its contractual obligations, causing financial losses to the Company. The Company exposure and credit ratings of third parties are carefully monitored by the management. There is a policy implemented in terms of assessing both potential and existing clients, assessing the credit limit and the settlement method. However, we believe that the Company is exposed to credit risk as a result of trade receivables with terms to pay up to 120 days a significant part of it not being insured. In 2019 the Company will resort to commercial credit insurance to reduce credit risk, especially for new clients but also for those in the portfolio.

(b) Cash-flow risk

The ultimate responsibility for managing cash-flow risk lies with senior executives, in particular the Chief Financial Officers of the factories and that of Comelf, who have built an appropriate cash flow

risk management framework for securing the Company's short, medium and long-term funds and requirements on cash-flow management. There is a continuous monitoring of the provisioned cash-flows (3 months) and real flows by matching the maturities of financial assets and liabilities. The additional liquidity need can be covered by the company including by accessing credit facilities, the company being at a satisfactory level of indebtedness.

(c) Currency risk

Currency risk is the risk of recording losses or of not realizing the estimated profit as a result of unfavorable fluctuations of the exchange rate. Most of the Company's financial assets and liabilities are expressed in the national currency, the other currencies in which operations are performed are EUR, USD and GBP.

Most current assets are denominated in foreign currency (88%) and the financial liabilities of the Company are denominated in foreign currency (55%) and national currency (45%) and hence exchange rate fluctuations do not significantly affect the Company's activity. Exposure to exchange rate fluctuations is mainly due to the current currency conversion transactions required for current payments in LEI.

(d) The interest rate risk

As of December 31, 2018, most of the assets and liabilities of the Company are not interest-bearing, except for contracted loans and leases. As a result, the Company is not significantly affected by the risk of interest rate fluctuations.

The Company does not use derivative financial instruments to protect itself against interest rate fluctuations.

(e) Market risk

Market risk is defined as the risk of loss or failing to achieve envisaged profit, as a result of price fluctuations, interest rates and currency exchange rates. The company's management continuously monitors its exposure to risks. However, the use of this approach does not protect the Company from the occurrence of possible losses beyond the foreseeable limits in case of significant market fluctuations. The company is exposed to the following market risk categories:

(f) Price risk

In order to cover the price risk generated by the increase of the basic raw material, the metal, the company has entered in the commercial contracts with the clients a protection clause which allows it to update the sale price if the price of the basic raw material increases. In the current economic context marked by a significant fluctuation, especially for the blue collar personnel, for the newly concluded contracts and for a part of the ongoing contracts, the company succeeded in completing the protection clause and updating the price of the products taking into account the evolution of the cost with the labor force, based mainly on the statistical salary developments, public on the Romanian labour market

The risk of interest rates and foreign exchange risk were detailed above

(g) The risk pertaining to the economic environment

The Romanian economy continues to show the characteristics of an emerging economy and there

is a significant degree of uncertainty regarding the development of the political, economical and social environment in the future The Management of the Company is concerned to estimate the nature of the changes that will take place in the Romanian economic environment and what will be their effect on the financial situation and the Company's operating and treasury outcome. The main concerns are mainly related to ensuring the human resources needed for the production process. Starting from this important aspect for the company, it implements different approaches both at the level of the local authorities and at the level of the central authorities through partner organizations, in order to elaborate measures for qualification of labor force, incentives for employment , etc.

However, the management of the Company cannot predict all the effects of the overall economic situation that will impact on the Romanian financial sector and their potential impact on the present financial statements. The Company's management believes that it has adopted the necessary measures for the sustainability and development of the Company under the current market conditions. The main challenge at this moment for the Company is the lack of qualified workforce for which the Company identified as the first solution the import of skilled labor from India.

(h) The fair value of financial instruments

As of 31.12.2019, the company no longer holds financial instruments.

8. Perspective elements regarding the activity of COMELF:

The probable evolution of the company is found in the Revenue and Expense Budget Project for 2020, which provides for the following:

- Turnover: 148,344 thousand lei;
- Total revenue, of which: 150,401 thousand lei;
- Revenues from manufacturing 143,251 thousand lei;
- Revenue from the sale of goods + services 4,993 thousand lei;
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- Revenue from investment grants 1,599 thousand lei;
- Financial income (interest, favorable exchange rate differences) 360 thousand lei;
- Total expenses 146,777 thousand lei;
- Gross profit: 3,624 thousand lei;

Comelf has proposed for 2020 an investment budget of 2,555,640 lei . These investments are intended to improve the welding process, increase the production capacity and quality for certain operations and products, to co-finance a project for the purchase and installation of photovoltaic panels in order to reduce dependency on electricity producers and, implicitly, energy cost reduction. The investment program for 2020, mentioned above, will be realized with own resources and or by leasing financing.

In addition, in 2020 the company will support the reimbursement of EUR 750,000, part of the existing working capital loan, amounting to EUR 7,437,500 in 12/31/2019 and the reimbursement of some lease rates in the amount of 214,593 LEI;

The tangible assets of the Company:

1.COMELF SA held at the end of 2019 the following production capacities:

- ❖ **Earth-Moving Machinery and Equipment Factory (FUET):** which manufactures marine equipment, telescopic cranes, components for excavators and components for earth-moving machines (arms), engine housings, electrical generator enclosures, turbine chassis, industrial gas dedusting equipment, filters for asphalt plants, gas turbine power plant equipment, sewage treatment and purification equipment, hydropower equipment, technological equipment. The FUET activity is carried out in two productive units, one of which has a built surface of 16,128 sqm and another has a built surface of 18,827 sqm;
- ❖ **Earth-moving Machines and Components (FCT):** manufactures “turn-key” earth-moving machines (crushers, asphalt pavers), components for earth-moving machines (chassis, arms, frames), mobile presses for compaction of car bodies, fixed presses and components for compaction of metal waste; telescopic cranes, sub-assemblies for heavy-duty dumpers. Built area 17.322 sqm;
- ❖ **Stainless Steel Products Factory (FPI):** manufactures stainless-steel equipment (equipment for gas turbine power plants, wind turbine components, components for freight wagons, combustion air filter components) and carbon steel (equipment for gas turbine power plants, turbine chassis, compressors, generators, conveyor belts, components for transport, assembly, components for transport-containers handling machines);
Built area 28,547 sqm;

All factories are located in Bistrita, Industriei street no.4, Bistrita-Nasaud county.

Also, the company owns administrative buildings and its own material warehouses, all located in Bistrita, no. 4, Industriei Street

The total land area owned by the company is 174,640 sqm.

The buildings have been built since 1971 but have undergone modernization works to meet current standards. All the company's buildings are insured.

The machines, equipment and installations used by Comelf in the production activity were acquired, a significant part, during the period 2014-2015, when the company implemented the project "Fundamental change of the production flows and introduction of new technologies with the aim of increasing productivity and competitiveness on the internal and external market of COMELF "according to the financing contract signed with the Ministry of Economy as the managing authority for POS-CCE.

2. Market of securities issued by the Company

2.1. Starting with 11/20/1995 Comelf is listed on the Bucharest Stock Exchange. The Company's shares are ordinary, nominative, uncertificated and indivisible shares.

2.2. The unpaid profit for 2019 will be used for; a). payment of dividends and b). other reserves;

2.3. The share capital of the Company did not change in 2019, it is in the amount of 13,036,325, 34 RON equivalent of 22,476,423 shares, nominal value 0.58 lei / share.

2.4. As at 12/31/2019 COMELF SA does not hold participations in other companies.
COMELF SA does not hold Subsidiaries.

3. Company Top Management

3.1. Board of Directors

Comelf SA is managed in a unitary system by the Board of Directors consisting of five members elected by the General Meeting of Shareholders by secret vote. The term of office of the members of the Board of Directors is 4 years and can be re-elected.

At the date of this report the structure of the Board of Directors is the following:

Save Constantine chairman
 Babici Emanuel member
 Mustață Costică member
 Maistru Ion member
 Pârvan Cristian member

Members of the Board of Directors are elected at the General Meeting of Shareholders on the basis of shareholders' voting in accordance with legal requirements. Therefore there are no conventions and agreements to report in this respect.

List of persons affiliated to the trading company:

Affiliated party	Activity	Description of affiliation type
Uzinsider SA	Consulting services	Uzinsider SA is a majority shareholder
Uzinsider Techo SA	Acquisition of steel sheets and sections Sale of power plant products	
Uzinsider General Contractor SA	Collaboration on turnkey jobs	
Promex SA	Collaboration in the manufacture of subassemblies	
24 Ianuarie SA	Collaboration in the manufacture of subassemblies	
Uzinsider Engineering SA	Providing services	

The other companies are related to Comelf SA due to a combination of joint management and / or persons who are also shareholders of other companies.

3.2. Executive management

The executive management of Comelf is appointed by the Board of Directors. The managers manage the daily business of the company and have an obligation to ensure a correct circuit of corporate information.

- Members of the Executive Board of the Company:

Cenușă Gheorghe
 Pop Mircea

General Manager
 Deputy General Manager

Oprea Paul Cristian
 Tătar Dana
 Marica Ioan
 Câmpian Cosmin
 Barbuceanu Florentin
 Viski Vasile

Deputy General Manager Engineering and Production
 Financial Manager
 AQM Manager
 Managing Director of the factory
 Managing Director of the factory
 Managing Director of the factory

Members of the executive management are elected by the Board of Directors and there are no conventions, agreements or family relationships between members of the Board of Directors and the managers that might be reported in this report.

For the members of the Board of Directors and the members of the Executive Management we specify that there are no administrative litigations or administrative procedures in which they have been involved in the last 5 years regarding their activity within the Company and others concerning the person's ability to fulfill their attributions within the company.

3.3. Corporate Governance

Regarding the state of compliance with the provisions of the Corporate Governance Code (CGC) of the BSE at the end of 2019 of the 41 provisions to be observed were fulfilled 20 and 2 considered as partially fulfilled. It should be noted that out of the 19 provisions that appear to be unfulfilled, one does not regard the company because COMELF is in the standard category, and 18 are in Section B that is respected on the merits, through the activity of the internal audit firm outside the company, and by the employee COMELF which has the exclusive "internal control" task. Provision of Section C not accomplished is in fact regulated by internal provisions and the requirements of Section D (Investor Relations) are fulfilled by 2 nominee employees and posted on the company's website to the "Information to Date" position of the information which interests investors. It was not considered necessary to hold meetings with investors (D₉) as these have the necessary information available from the current and periodical reports published, which ensure a high degree of transparency that allows shareholders and potential investors to make informed decisions.

All the provisions regarding the summons of general meetings are strictly observed, and the Reports regarding their occurrence, the adopted decisions, including those regarding the payment of dividends or other special events, are published through the BSE Reports in Romanian and English and posted on www.comelf.ro. In order to support the above mentioned, including the explanations regarding the status as at 12/31/2019 regarding the compliance with the new CGC, we attach to this report the status, on each section, as follows:

Annex: State of compliance with the provisions of the new Corporate Governance Code (CGC) of the BSE on 12/31/2019.

	Provisions to be observed	conformation Yes/No	Explanations
SECTION A - Responsibilities			

A.1.	All companies must have an internal regulation of the Council which includes the reference terms / responsibilities Of the Board and key management positions of the company, and which apply, inter alia, the General Principles of Section A.	Yes	The Regulation has been developed Board of Directors according CGC of BVB
A.2.	Provisions for managing conflicts of interest must be included in the Board Regulation. In any case, members the Board must notify the Board of any conflicts of interest that have arisen or may arise occurred and abstain from participating in discussions (including through non - attendance, except for in which case the failure would prevent the formation of the quorum) and from voting for a decision on the matter which gives rise to that conflict of interest.	Yes	The Board Regulation includes provisions on how to manage the conflict of interest.
A.3.	The Board of Directors must consist of at least 5 members.	Yes	
A.4.	The majority of the members of the Board of Directors must not hold an executive position. In the case of Premium Category companies, no less than two non-executive members of the Board of Directors must be independent. Each independent member of the Board of Directors must file a statement at the moment of his nomination for election or re-election, as well as when any change of status occurs, indicating the elements on the basis of which it is considered to be independent in terms of his/her character and judgment.	Yes	COMELF is in the Standard category. No member of the Board of Administration does not hold executive position in COMELF.
A.5.	Other relatively permanent commitments and obligations of a member of the Board, including executive and non-executive positions on the Board of any non-profit organizations and institutions, must be disclosed to shareholders and potential investors before the nomination and in	Yes	

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	the course of his/her mandate.		
A.6.	Any member of the Board must report to the Board information on any report with a shareholder who directly or Indirectly owns shares representing more than 5% of all voting rights. This obligation refers to any kind of report that may affect the position of the member on matters decided by the Board.	Yes	
A.7.	The company must designate a Board Secretary responsible for supporting the work of the Board.	Yes	
A.8.	The corporate governance statement will inform whether an assessment has taken place by the Board under the leadership of the Chairman the nomination committee and, if so, summarize the key measures and the resulting changes. The Company must have a policy / guidelines on the Board's evaluation purpose, criteria and frequency of the evaluation process.	No	In 2020, the Company will develop a policy / guide on the Board's assessment of the purpose, criteria and frequency of the evaluation process.
A.9.	The corporate governance statement must contain information on the number of meetings of the Board and committees in During the last year, administrators' participation (in person and in absence) and a report by the Board and committees on their activities.	Yes	In 2019, the Board of Directors met eight times with the participation of the majority Of the administrators at each meeting. the OGMS in April 2020 shows the BD report for 2020.
A.10.	The corporate governance statement should include information on the exact number of independent members in Board of Directors.	No	Through the Articles of Incorporation or the OGMS decision the number of BD members is not established who must be independent.
A.11.	The Board of Premium Companies must set up a nomination committee made up of people without an executive position, who will lead the procedure for new nominations Of Board Members and make recommendations to the Board. Most members of the nomination committee must be	No	COMELF is in the Standard category.

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	independent.		
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SECTION B - Risk management and internal control system

B.1.	The Board should set up an audit committee in which at least one a member must be an independent, non-executive administrator. Most members, including the president, must prove to have appropriate qualifications relevant to their positions and responsibilities in the Committee. At least one member of the audit committee must have audit or accounting experience verifiable and appropriate. For companies in Category Premium, the audit committee must consist of at least three members and most members of the audit committee must be independent.	No	The internal audit is carried out by an independent company. 2 candidates were nominated, BD members who formed the audit committee. None of these two people is a financial auditor.
B.2.	The chair of the audit committee must be a independent Non-executive member.	No	The internal audit is carried out by a independent company.
B.3.	Within its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	No	Internal auditing is carried out by an independent company. It provides independent reports to BD members on operational procedures and activities.
B.4.	The evaluation should take into account the effectiveness and coverage the internal audit function, the adequacy of the reports risk management and internal control presented to the Committee the Council's audit, the promptness and effectiveness with which executive management resolves deficiencies or weaknesses identified following internal control and reporting relevant to the attention of the Council.	No	The internal audit is carried out by an independent company. It provides independent reports to CA members on the risks identified in the audit activity, how the executive management respects, manages and resolves the deficiencies and risks identified in the operational activity.
B.5.	The Audit Committee should assess conflicts of interest in	No	The internal audit is carried out by an independent company.

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	related to the transactions of the company and its subsidiaries with the parties affiliated companies.		
B.6.	The Audit Committee should evaluate the effectiveness of the internal control and risk management system.	No	The internal audit is carried out by an independent company.
B.7.	The audit committee should monitor the application legal standards and general internal audit standards accepted. The audit committee must receive and evaluate reports of the internal audit team.	No	The internal audit is carried out by an independent company, which reports to MB members
B.8.	Whenever the Code lists reports or reviews initiated by the Audit Committee, these should be followed by periodic (at least annual) or ad hoc reports later submitted to the Council.	No	The internal audit is carried out by an independent company.
B.9.	No shareholder may be granted preferential treatment against other shareholders in connection with transactions and agreements concluded by the company with shareholders and their affiliates.	Yes	
B.10.	The Council must adopt a policy to ensure as any company transaction with any of the companies with who has close relationships whose value is equal to or more 5% of the company's net assets (acc last financial report) is approved by the Council a binding opinion of the Council 's audit committee and properly disclosed to shareholders and potential investors to the extent that these transactions fall into the category events subject to reporting requirements.	No	The Board of Directors did not adopt a policy in this regard.
B.11.	Internal audits should be performed by a separate division structurally (internal audit department) within the or by employing an independent third party.	Yes	The internal audit is carried out by an independent company.

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B.12.	<p>In order to ensure the fulfillment of the main functions of the internal audit department must report from a functional point of view to the Council through audit committee. For administrative purposes and within management's obligations to monitor and reduce risks, it must report directly to the Director General.</p>	No	<p>The internal audit is carried out by an independent company.</p>
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SECTION C - Just reward and motivation

C.1.	<p>The company must publish on its policy website and to include a statement in the annual report on the implementation of remuneration policy during the period which are subject to analysis. The remuneration policy should be formulated in such a way as to allow shareholders understanding the principles and the arguments that stand on the basis of the remuneration of the members of the Board and the Director General . This must describe how to drive a process and decision-making on remuneration, its detail the components of executive management remuneration (such as wages, annual bonuses, long-term incentives related to the value of shares, benefits in kind, pensions and others) and to describe the underlying purpose, principles and presumptions each component (including general performance criteria related to any form of variable remuneration). In addition, the remuneration policy must specify the duration of the contract the Executive Director and the period of notice provided in contract, and any compensation for revocation without the just cause [...]. Any essential change in</p>	No	<p>Remuneration of Council Members of the Administration is compliant the OGM decision. The company is defined by decision internal award criteria salaries and incentives in office of performance . The General Director's contract is on indefinite duration and includes clauses of its cessation.</p>
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	the remuneration policy must be published in a timely manner on the page internet of the company.		
SECTION D - Adding Value through Relationships with Investors			
D.1.	The company must organize a Relationship with Investors - made known to the general public by person (s) responsible or as an organizational unit. Besides the information imposed by legal provisions, the company must include the its website dedicated to Investor Relations, in the Romanian and English languages, with all relevant information of interest for investors, including:	No	Information required according to the provisions legal information is posted on the website to the "Up-to-date" position.
D.1.1.	Main corporate regulations: constitutive act, procedures on general shareholders meetings;	Yes	Posted on www.comelf.ro
D.1.2.	Professional CVs of members of the governing bodies of other professional commitments of the members of the Council, including executive and non-executive positions on board of directors from non-profit societies or institutions;	Yes	Posted on www.comelf.ro
D.1.3.	Current reports and periodical reports (quarterly, semestrial and annual) - at least those under D.8 - inclusive current reports with detailed information about non-compliance with this Code;	Yes	Posted on www.comelf.ro and transmitted on the BVB.
D.1.4.	Information on general shareholders meetings: order day and informative materials; the procedure for electing members Council; the arguments that support the proposals for candidates for election to the Council, together with their professional CVs; shareholders' questions about the items on the agenda and the company's responses, including the adopted decisions;	Yes	Posted on www.comelf.ro
D.1.5.	Information on corporate events, such as pay dividends and other distributions to shareholders, or other events	Yes	Posted on www.comelf.ro

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	<p>which lead to the acquisition or limitation of the rights of a shareholder, including deadlines and principles applied to these operations. Such information will be published within a time limit allow investors to make investment decisions;</p>		
D.1.6.	<p>Name and contact details of a person who can provide on request relevant information;</p>	No	<p>In AGA conventions one mentions who can give extra relationships as well phone and contact email address.</p>
D.1.7.	<p>Presentations of the company (eg, presentations to investors, quarterly results, etc.), financial situations (quarterly, semestrial, annual), audit reports and reports yearly.</p>	Partial	<p>Financial statements (quarterly, semestrial, annual), audit reports and annual reports are posted on www.comelf.ro.</p>
D.2.	<p>The company will have a policy on the annual distribution of dividends or other benefits to shareholders, as proposed by the Chief Executive Officer adopted by the Council in the form of a set of guidelines on which the company plans to follow on distribution net profit. Principles of annual distribution policy to shareholders will be published on the company's website.</p>	No	<p>The company is considering developing a policies in this area. Until the present each time after approval by OGG of dividends, posted on company site distribution procedure The company regularly distributes at least 50% of the net profit of the financial year and dividends are paid through the Central Depository.</p>
D.3.	<p>The company will adopt a forecasting policy, either they are made public or not. Forecasts refer to quantified conclusions of studies on impact assessment global of a number of factors for a future period (as called hypotheses): by its nature, this projection has a level high uncertainty, the actual results may differ in the way significantly from the initial forecasts. Policy on forecasts to determine the frequency, the period considered and the content of the forecasts. If published, the predictions can be</p>	No	<p>The company is considering developing a policies in this area.</p>

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	included only in the annual, half-yearly or quarterly reports. The forecasting policy will be published on the website society.		
D.4.	The rules of general shareholders' meetings should not be limited shareholder participation in general meetings and exercise their rights. Changes to the rules will come into force, the one earlier, starting with the next shareholders' meeting.	Yes	
D.5.	External auditors will be present at the General Meeting of Shareholders when their reports are presented at these meetings.	Yes	
D.6.	The Board will brief the shareholders' annual general meeting appreciation of the internal control and management systems significant risks, and views on issues subject to the decision of the general meeting.	Yes	
D.7.	Any specialist, consultant, expert or financial analyst can attend the shareholders' meeting on the basis of a prior invitation from the Council. Accredited journalists can also participate in the general meeting of shareholders, except in which the President of the Council decides otherwise.	Yes	
D.8.	The quarterly and half-yearly financial reports will include information both in Romanian and in English on key factors influencing changes in sales, al operating profit, net profit and other financial indicators relevant, from one quarter to another and from one year to another.	Yes	
D.9.	A company will hold at least two meetings / teleconferences with analysts and investors every year. The information presented with these occasions will be published in the Investor Relations section of the Internet of the company at meetings / teleconferences.	No	In 2018, the company does not organized meetings with investors. Society considers the information published in the reports current and periodicals provide a degree high transparency that allows

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			shareholders and potential investors to make good investment decisions grounded.
D.10.	If a society supports different forms of expression artistic and cultural activities, sports activities, educational activities or and consider their impact on character innovation and the competitiveness of society are part of the mission its development strategy, will publish its policy on its activity in this field.	Partial	The company has financially supported various cultural, artistic, sports, educational, Student olympic games. The company is considering developing a policies in this area.

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NON-FINANCIAL DECLARATION:

✓ Description of the business model of the company:

The company's activity is organized in three factories that act as Business Units:

- FUET -Factory for industrial machinery, earth-moving machines, bag-filters, electrostatic precipitators and technological equipment;
- FPI -Stainless steel products factory;
- FCT - Earth-moving Machines and Components Factory;

Each factory has its own Departments for the following activities: Production, Technical, Commercial Sales and Economic. They act as Business Units with their own revenue and expenditure budget, so each entity independently manages its activity starting from a portfolio of clients specific to

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each Business Unit followed by technological product design, manufacturing technology, actual launch in manufacturing, production, delivery and cashing-in. The sales activity, although having specialized trade referents on profit and customer centers, is coordinated by the Deputy General Manager, which has the attributions including the coordination of Fabrici Sales Directorates.

Starting with 2019, the activity of the Technical and Production Divisions at the level of the factories was centralized in a centralized Technical and Production Management at Comelf SA, under the direction of a new Deputy Technical and Production Manager, in order to optimize the manufacturing technologies, the reorganization of the production activity and, in general, of the two processes that have the greatest impact on the activity of the company and implicitly in its results. The Business Units offer mutual services and collaborate, being in constant interaction.

Starting with the year 2019, although the economic management will also be done on Business Units, the activity of the Economic Directorate at Comelf SA was centralized, divided into 4 services, as follows: Controlling Service, Controlling Service, Financial Service, Accounting Service and Payroll Service.

The following departments have carried out their centralized activity in 2018 at the company level: Quality Management Department, Integrated Management Department, Material Supply Department, Warehouses and Logistics Division, Chief Service Engineer with Production Preparation, Services and Utilities Section, Human Resources, Information Service, Marketing Service, Investments-Modernization-Maintenance Service, Environmental Service, Safety and Health at Work; All centralized activities at the company level support the activity of Business Units, thus trying to optimize and harmonize of certain processes at the Company level but also for observing the principle of independence (see the case of the Quality Management Department).

- ✓ The Business Units offer mutual services and collaborate, being in constant interaction
- HEALTH AND SAFETY AT WORK**
The main activities on Occupational Safety and Health at Work that took place in 2019: Certification of the Occupational Health and Safety Management System according to SR ISO 45001/2018; Continuous improvement and support of the management system according to SR SR ISO 45001/2018; Continuation of the campaign to promote the importance of health and safety at work on the occasion of the International Day of OHS (April 28, 2019); Updating of the materials in the training manuals on Occupational safety and health for the workplace managers (production managers, heads of workshops, etc.); Implementation of the measures included in the Prevention and Protection Plan; Review of the assessment of the risks of accidents and occupational disease; Review of operational procedures and instructions, depending on changing working conditions and risk assessment; Done the mandatory periodic medical check for all employees; Continuation of the program regarding the monitoring of the employees' health, in collaboration with RAAL Medical SRL (abdominal ultrasound, cardiological ultrasound, urological ultrasound and breast ultrasound); Increasing the awareness of the employees regarding the risks they are exposed to during the work process through additional training and practical demonstrations; Implementing and maintaining a policy on Occupational Health and Safety by involving workers at all levels to develop actions to improve the OHS management system (training, consulting workers, easy access to information, adapting work to employee, evaluating OHS performance, etc.); Carrying out additional training of employees taking into account the causes and circumstances of the occurrence of events, preparation and dissemination of training and information materials; **The**

main activities on Occupational Health and Safety that will take place in 2020: Retain the certification on Occupational Health and Safety Management System according to SR ISO 45001/2018; Reducing the number of accidents at work for Q1 2020 by 75%; Reducing the number of days of temporary incapacity for work from serious work accidents by 10%, for 2020; Increasing the awareness of the employees regarding the risks they are exposed to during the work process through additional training and practical demonstrations; Continuation of the campaign to promote the importance of health and safety at work on the occasion of the International Day of OHS (Tuesday, April 28, 2020); Updating of the materials in the training manuals on Occupational safety and health for the workplace managers (production managers, heads of workshops, etc.); Implementation of the measures included in the Prevention and Protection Plan; Review of the assessment of the risks of accidents and occupational disease; Review of operational procedures and instructions, depending on changing working conditions and risk assessment; Done the mandatory periodic medical check for all employees; Continuation of the employee health monitoring program, in collaboration with RAAL Medical SRL; Consultation with employees regarding safe and healthy working conditions, participation of employees in identifying the specific risks of activities and workplaces and opportunities for prevention / removal of danger; Maintaining a policy on Occupational Health and Safety by involving workers at all levels to develop actions to improve the OHS management system (training, consulting workers, easy access to information, adapting work to employee, evaluating OHS performance, etc.); Introduction and testing of new types of individual protective equipment to offer employees increased comfort and protection in use;

ENVIRONMENT PROTECTION The main activities on Environment protection that took place in 2019: Recertification of the Environmental Management System according to SR ISO 14001: 2015; Increasing the recovery index by recycling packaging waste over the legally imposed objectives, cardboard - 60%, plastic - 22.5%, wood - 15%, metals - 50% compared with- 10% for metal- 10% for paper- 5% for wood- 5% for plastic; Reducing the quantities of waste generated by the activities carried out within the corrosion protection workshops; Continuous training of all employees regarding the way of selective waste collection, during the periodic monthly training; Maintaining fugitive emissions within the legal limits - less than 20% compared to the annual consumption of corrosion protection materials; Review of the procedure for selective collection of hazardous and non-hazardous waste in accordance with the new COMELF organization; Review of the procedure regarding environmental issues; Carrying out training on how to operate in accordance with the plan for preventing and combating accidental pollution with potentially polluting water acc. Order 278/1997;

The main activities on Environment protection that will take place in 2020: Maintenance and continuous improvement of the Environment Management System according to SR ISO 14001: 2015; Implementing a new ways of selective collection of non-hazardous waste to ensure a correct selection on types of waste - household waste, waste paper / cardboard, plastic waste, etc; Review of the procedure regarding selective waste collection; Continuous training of all employees regarding the way of selective waste collection, during the periodic monthly training; Maintaining fugitive emissions within the legal limits - less than 20% compared to the annual consumption of corrosion protection materials;

FIRE PREVENTION AND EXTINGUISHING AND EMERGENCY SITUATION The main activities of Fire Prevention, fire fighting and Emergency Situations, which took place in 2019:

- Continuation of the program to change and modernize the escape doors with doors that have a panic bar system, upon entering the FPI-SPOC, in accordance with the Fire Safety Regulations of the buildings P-118/2013;
- Purchase and use at the fire station of 6 pcs. PSI type C hoses required in case of extinguishing interventions with water from the external hydrants or for use in other situations;

- Progress in order to obtain the operating authorization for the FCT mechanized blasting / painting hall, from the PSI point of view according to Law 307/2006 art.30.1 - through the Maintenance and Modernization Department;

Performing the alarm, evacuation and intervention exercises with own personnel, according to Ord. 163/2006 regarding the organization and intervention of the employees in case of emergency situations;

✓ **The main activities of Fire Prevention, fire fighting and Emergency Situations, which will take place in 2020:**

- Cleaning and modernization of the Civil Protection Shelter;
- Continuation of the replacement program of the emergency exit signaling lamps in the activity sectors, by purchasing and installing the signal lamps equipped with LEDs;
- Completion of the activity in order to obtain the operating authorization for the FCT mechanized blasting / painting hall, from the PSI point of view according to Law 307/2006 art.30.1
- ✓ Performing a number of five (5) alarm, evacuation and intervention exercises with own personnel, according to Ord. 163/2006 regarding the organization and intervention of the employees in case of emergency situations, one will be with the participation of the entire staff;

HUMAN RESOURCES

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In 2019, human resources activity focused on the following main directions:

diminishing the fluctuation by creating possibilities for motivating gains, reflected by the average salary income that in the year 2019 increased by 10,36% compared to the previous year; ;

Rejuvenation of the labor force; Training and support for students from the partner schools and for students from the Technical University of Cluj-Napoca, the Bistrița Branch in order to be employed in COMELF; In 2019, the first contracts based on the dual education system were signed, Comelf being the only company in Bistrița that established a class of mechanical locksmiths (14 students) and one of welders (15 students) who learns in the dual system. These students enrolled in dual education receive monthly scholarships from the company, in compliance with the conditions and the provisions of the law governing dual education in Romania; In the past year, 103 people, mainly young people from the

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ranks of former students and students who have practiced in society, and the labor market, were employed, while 245 people left. The fluctuation indicator for staff was 21.15% in 2019. On 12/31/2019, the COMELF staff, by skill levels, was as follows:

higher education:	229
people secondary education:	134 people
vocational school:	134 people
unqualified workers:	27 people

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Recruitment, initiation and qualification of the company personnel:

In order to ensure the medium and long-term workforce, the partnerships with the Technical University of Cluj-Napoca Bistrita Extension and with 4 school groups continued (Grigore Moisil Technical College from Bistrita and Technological High Schools in Lechinta, Tirlisua and Telciu) that qualify locks metal constructions, welders and CNC operators. A training room with 100 seats and 4 laboratories was set up and made available to the Technical University of Cluj-Napoca and we receive students for practical training every year. We currently have employees who are also students for whom the company has accepted a flexible program for them to be able to learn and frequent school. They will mostly work in our company after graduation. Of the four partner schools, 152 students are training with us, we provide for them work and safety equipment and a warm meal. In this way, students are helping us and we help them to adapt to the industrial environment and integrate into our collective. This involves costs and an additional effort related to supervision, equipment, coordination, but it is a safe method of attracting future employees and filling in gaps in professional training.

The recruitment of the staff is done throughout the county of Bistrița-Năsăud, aiming at ensuring all the conditions for the transportation of employees to and from the workplace, by collaborating with an important passenger transportation business in the county for the main routes

In 2019, the company resorted to the import of labor from India, thus, a number of 18 people, qualified as CNC Operator were hired in the first part of the year. At the end of 2019, steps were taken to employ 15 more people from India, qualified in the welding profession (11 persons) and CNC operator (4 persons), of which 7 welders were employed in November 2019 and the rest of the staff from India were hired in January 2020. For these non-resident persons the company provided accommodation and transportation.

President of BD-eng. Savu Constantin

ADRESA

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