

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

For the financial year: 2018

Company name: COMELF S.A.

Registered Office: Bistrita, Strada Industriei nr. 4

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

VAT Code: 568656

Registered business number : J06/02/1991

Subscribed and paid-up share capital: 13.036.325,34 lei

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

Main characteristics of the securities issued by the company:

-Uncertificated registered shares in the amount of 22,476,423 with a nominal value of 0.58 lei / share.

The Board of Directors of Comelf SA Bistrita, appointed by the General Assembly of Shareholders, has prepared for the financial year 2018 the present report on the balance sheet, the profit and loss account, the statement of changes in equity, the cash flow statement, the accounting policy and explanatory notes included in the individual financial statements of 2018.

These financial statements are presented together with the Audit Report and this Administrator Report and refer to:

Equity:	71.933.747 RON
Total Income :	153.266.065 RON
Profit of the period:	2.815.330 RON

The financial statements were prepared in accordance with:

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

Starting with 2012 our Company presents individual financial statements drawn up in accordance with the provisions of Order 2844/2016 (formerly Order 1286/2012) for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a market regulated, with the subsequent modifications and clarifications required by Order 881/2012.

COMELF was audited by the independent auditor G5 Consulting SRL The results of the Company's audit are presented in the Independent Auditor's Report G5 Consulting SRL

1. Review of the Company's activity:

i. Description of the Company's core business:

The Company operates on the basis of the Companies Law no. 31/1990 (with subsequent modifications and amendments)

, Capital Market Law no. 297/2004 and Law 24/2017 on issuers of financial instruments and market operations. According to Article 6 of the Articles of Incorporation, updated in December 2018, the object of the Company's activity is "**Manufacture of machinery and equipment for earth-moving works, for power stations and environmental protection, lifting and transport equipment, including their subassemblies**".

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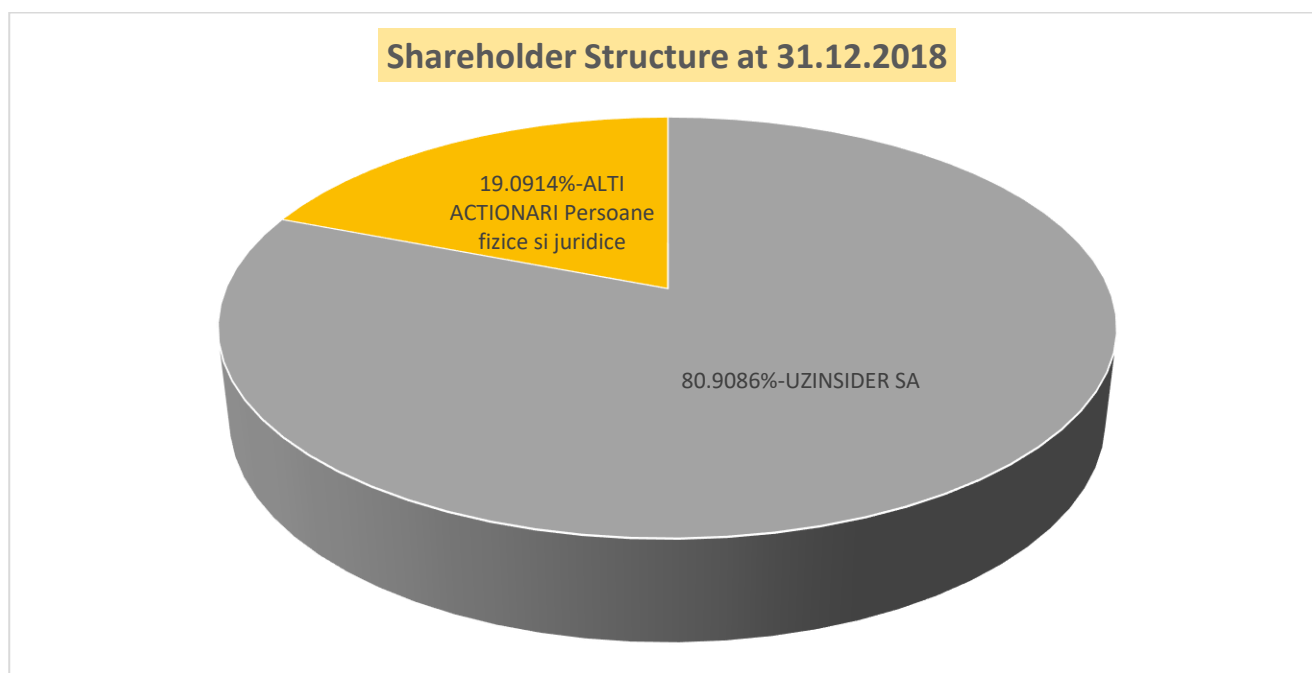


ii. Date of establishment of the Company:

COMELF SA is a joint-stock company established in Romania in 1991 on the structure of Bistrita Technology Equipment Enterprise.

iii. Changes in company shares, significant mergers or reorganisations of the Company or the controlled companies 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 societies. The subscribed and paid-up share capital at the end of the financial year 2018 is RON 13,036,325.34. The shareholder structure at the end of the period reviewed is (*Source: Depozitarul Central on December 31, 2018*):



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 21, 2018, the Ordinary General Meeting of the Associates approved adding a new activity to the company's business scope, CAEN code 9601 - Washing and (dry) cleaning of textile articles and fur products. This activity was previously carried out by Comelf Energy SRL until its liquidation on 17.09.2018, when the activity that was taken over by Comelf SA both for its own purposes (washing employees work and protection equipment) and the sale of such services to third parties.

On 17.09.2018, the OGMS of Comelf Energy SRL decided to liquidate the company, the procedure whereby Comelf SA, which owned 45% of the share capital of Comelf Energy SRL, cashed the sum of RON 201,320.66.

On December 31, 2018, COMELF SA does not own shares in other companies and does not own Subsidiaries.

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

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The total value of the asset as of 31 December 2018 was 165,407,657 LEI, 3,460,350 LEI lower than the value registered at the beginning of the year, the difference resulting from the decrease of the fixed assets of the company, mainly due to the amortization (RON 5,517,411). On the other hand, the current assets registered an increase at the end of 2018 by 2,057,061 LEI, mainly due to the increase in receivables;

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

The profit and loss account, respectively the income and expenses grouped by their origin in the year 2018, are as follows:

The Profit and Loss Account (Thousand RON)	Year 2018	Year 2017	Differences
Turnover	151767	175174	(23407)
Other operating income, TOTAL-of which:	4232	4070	162
Changes in stored production (+/-)	1499	1316	183
Income from operating grants	88	111	(23)
Revenues from investment grants	1580	1966	(386)
Other operating revenues	1065	677	388
Operating Income - TOTAL	155998	179244	(23246)
Expenditure on raw materials, consumables, utilities, commodities	72334	84028	(11694)
Staff costs	47595	53139	(5544)
Provisions expenses, depreciation and amortization adjustments, TOTAL-of which:	1600	10220	(8620)
Expenses due to amortization	7721	10472	(2751)
Provision expenditure on current assets depreciation	37	(11)	(48)
Adjustments for risk and expense provisions	(6178)	(241)	(5876)
Other operating expenses	30903	26378	4525
Operating Expenses-TOTAL	152131	173765	(21634)
Operating profit-TOTAL	3867	5479	(1612)
Financial income	2001	2905	(904)
Financial expenses	2646	4630	(1984)
Financial result	(645)	(1725)	1080
Total revenue	158459	183375	(24916)
Total expenses	155238	179621	(24383)
The Profit and Loss Account (Thousand RON)	Year 2018	Year 2017	Differences
Gross result	3221	3754	(533)
Net result	2815	3341	(526)
EBITDA	11313	14578	(3265)

EBITDA was determined as follows:

Indicators (thousand lei)	2018	2017	Differences
Net Profit	2815	3341	(530)
Interest expense	330	361	(31)
Depreciation charge	7721	10472	(2751)
Indicators (thousand lei) -EBITDA	2018	2017	Differences

Fixed and current asset depreciation	37	(11)	48
Current and deferred tax expense	406	414	(8)
EBITDA	11309	14578	(3269)

Changes in the asset are as follows:

Asset (Thousand Lei)	Year 2018	Year 2017	Differences
1.1. Fixed Assets TOTAL of which:	92125	97642	(5517)
1.1.1. Tangible assets	39154	41707	(2553)
1.1.2. Real estate fixed assets	52379	54842	(2463)
1.1.3. Intangible fixed assets	592	893	(301)
Asset (Thousand Lei)	Year 2018	Year 2017	Differences
1.1.4. Capital assets	-	200	(200)
1.2. Current assets TOTAL, out of which:	73283	71226	2057
1.2.1. Stocks of raw materials and materials	7355	7297	58
1.2.2. Stocks of finished products and production in progress	23614	22118	1496
1.2.3. Total commercial and similar receivables, of which:	35708	34547	1161
-Trade Receivables	43149	43803	(654)
1.2.4. Profit Tax to be recovered	-	-	-
1.2.5. Other receivables and advances for immobilizations	2868	1934	934
1.2.6. Cash and cash equivalents	3738	5330	(1592)
Total Assets	165408	168868	(3460)

The liability structure of the company's balance sheet at 31 December 2018 is as follows:

Liabilities (thousand lei)	Year 2018	Year 2017	Differences
1.1. Total share capital, of which:	13036	13036	-
1.1.1. Subscribed share capital	13036	13036	-
1.1.2. Adjustments to the share capital	8812	8812	-
1.1.3. Other capital items	-	133	(133)
1.2. Revaluation reserves	36135	38304	(2169)
1.3. Legal reserves	2607	2607	-
1.4. Other reservations	12125	10502	1622
1.5. Company owned shares	-	-	-
Liabilities (thousand lei)	Year 2018	Year 2017	Differences
1.6. Reported result	(3593)	(5786)	2193
1.7. The result of the fiscal year	2815	3341	(526)
1.8. Distribution of profit	-	(97)	97
Total equity	71938	70854	1084
1.2. Long-term debt	20922	19659	1263
1.2.1. Loans and interest-bearing debt	3553	-	3553
1.2.2. Deferred tax liabilities	9692	10519	(827)
1.2.3. Provisions for risks and expenses	190	382	(192)
Liabilities (thousand lei)	Year 2018	Year 2017	Differences
1.2.4. Deferred income liabilities	7487	8757	(1270)
1.3. Current debts	72548	78354	(5806)

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1.3.1 Trade and similar payables, of which:	35398	31454	3944
Trade Payables	28931	26270	2661
1.3.2. Loans and interest-bearing loans	33830	37042	(3212)
1.3.3. Other debt	6463	5184	1279
1.3.4. Provisions for risks and expenses	1316	8238	(6922)
1.3.5. Deferred income tax liabilities	1595	1620	(25)
1.3.6. Deferred tax liabilities	413	-	413
Total debt	93470	98013	(4543)
Total equity and debt	165408	168868	(3460)

The Company's **equity** increased in the financial year 2018 by 1084 thousand lei.

The **legal reserve** is 2607 thousand lei and represents 20% of the share capital.

The **total debts** of the Company decreased by 4543 thousand lei, mainly due to the repayment of the loan for Investments (3212 thousand lei).

The **provisions of the Company** decreased by 6922 thousand lei, being influenced by the reduction of provisions for employees' retirement benefits by 192 thousand lei (in 2018 the number of pensioners was significant and the related sums were actually paid generating the decrease of the provision and additionally changed the indicator taken into account in calculating these benefits in line with the provisions of IAS 19, namely the fluctuation of the staff calculated as the average of the indicator in the last 5 years), and cancellation of provisions for the amounts owed in the DIICOT file in the amount of 5,573 thousand lei. The difference is reversal provisions constitute commercial penalties at the end of 2017 and transferred to operating expenses of the interval.

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

Indicators (thousand lei)	2018	2017
Current assets	73283	71226
Current debts	72548	78354
Net current assets	735	-7128

The organization of the accounting was done through the Economic Departments of the factories, under the coordination and control of the Centralized Economic Department, at the company level, through which the correct and up-to-date keeping of the accounting operations, the observance of the accounting principles and of 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 the year 2018. 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 carried out in the financial year 2018 by G2 Expert SRL.

General evaluation elements

a). Profit / (loss):

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Indicators (thousand lei)	Achieved 2018	Achieved 2017
Gross profit (loss)	3221	3754
Net profit (loss)	2815	3341

Net profit: decreased in 2018 compared to the one realized in 2018, mainly influenced by: (i) the evolution of the company's turnover and revenue; (ii) wage costs, especially those related to direct productive staff, which grew in line with the evolution of the labour market and their average growth was above turnover (+ 3.8% at company level).

b). Turnover:

Indicators (thousand lei)	Achieved 2018	Budget 2018	Achieved 2017	Δ% vs. 2017	Δ% vs. Budget
Turnover	151767	174720	175174	-13,36%	-13,13%

Turnover declined in 2018 compared to 2017, mainly due to a reduction in the number of direct productive staff (on average by 15.69%), but also due to the change of the manufacturing structure by assimilation of new products from customers which involve higher initial manufacturing costs up to assimilation into a repetitive production.

c). Export:

Indicators (thousand lei)	Achieved 2018	Achieved 2017	Δ% vs. 2017
Turnover	151767	175174	-13,36%
Export/EUR	32,255	36426	-11,45%
Export (equivalent in LEI)	150,098	166398	-9,80%

In 2018, the volume of revenues from export operations decreased by 9.80%, compared to the previous year.

d). Costs:

Expenses (thousand RON)	2018	2017
Raw materials, consumables and merchandise		
Expenditure on raw materials	56232	64435
Expenditure on consumables	11542	12691
Expenditure on goods	625	2919
TOTAL	68399	80045
Employee Benefits Expenditures		
Wages	43044	40038
Contributions to the National Social Insurance Fund	1977	10327
Other taxes and contributions related to salaries	-	487
Meal tickets	2162	2333
Other benefits related to wages	504	536
Expenses (thousand RON)	2018	2017
Revenues from operating grants for. personal payment	(88)	(111)
TOTAL	47599	53610
Other expenses		
Transport costs	7294	8282

Utilities expenses	4002	4149
Expenditure on services performed by third parties	11679	11588
Expenses with damages, fines, penalties	6887	454
Protocol, advertising and publicity expenses	120	156
Other general expenses	1248	1989
Expenses with other taxes and fees	1443	702
Repairs expenses	839	882
Travel expenses	303	405
Rental rents	546	792
Postal and telecommunication charges	85	102
Expenditure on insurance premiums	460	318
TOTAL	34906	29819

e). Market share:

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

f). Available Cash:

As of 31 December 2018 the Company held in the accounts the amount of RON 3,738 thousand.

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 industry and components; (2) Machinery and parts for Earth-moving works (3) Environmental protection equipment; (4) Lifting and handling equipment; (5) Other Industrial equipment; The products are sold as such or as part of projects to the client through the Centralized Commercial Department, by project managers specialized on product and customer types. Comelf products are delivered mainly for export to countries like Italy, France, England, Netherlands, Sweden, Austria, Norway, Germany, Belgium, Switzerland, Hungary, 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 2018 the activity of the company was carried out without interruption. In 2018, new products and new clients were brought into the portfolio of the company as follows:

Business Unit	Customer	Product
FPI	MFT Germany	Tanks
	Howden Germany	Base frames
	Almig Germany	Compressor base frames
	Haba Germany	Stainless steel components

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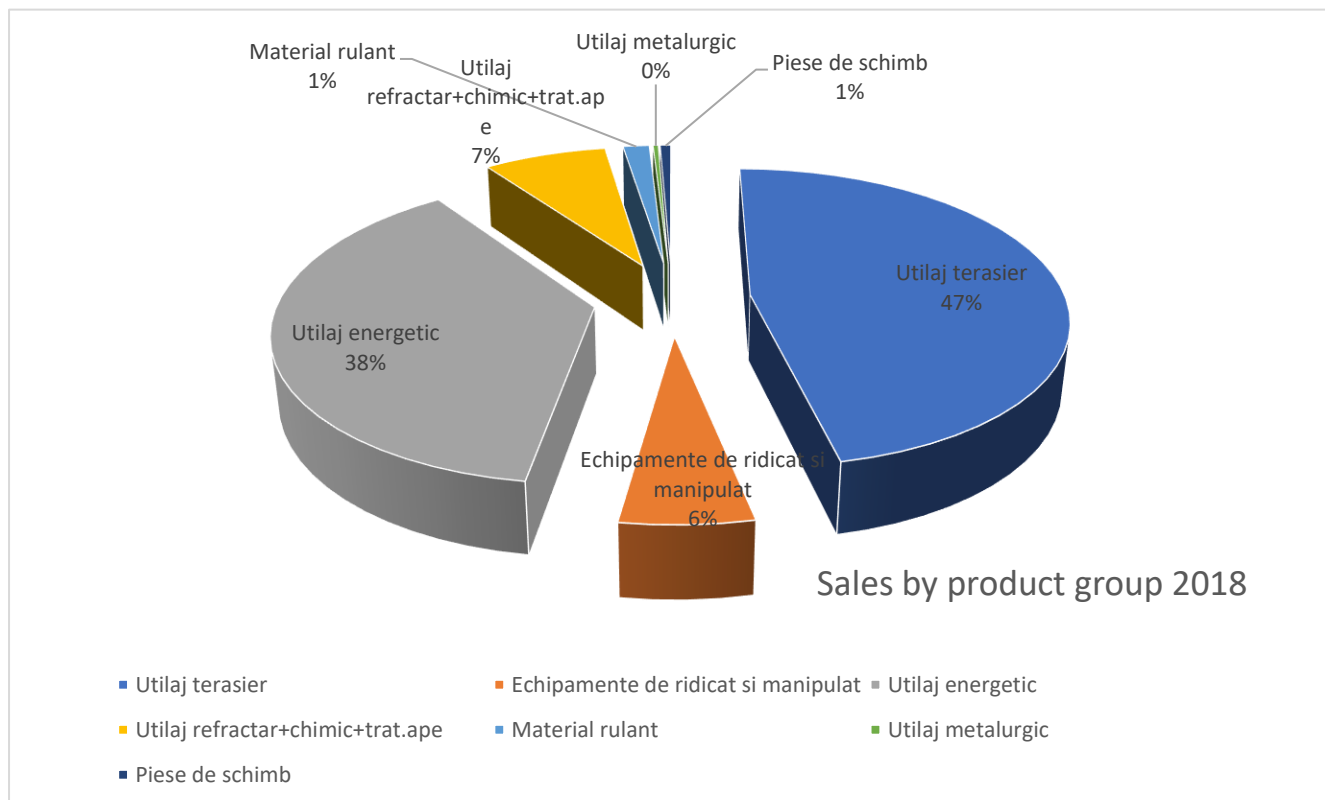
	Rockfin Poland	Gas Turbine Base Frames
	Camfil Hungary	Components for turbines
	Siemens AG Mobility	Components for railway equipment
	Tekhnint Switzerland	Components for turbo cranes SK415 and CTT 332
	GE Hungary	Turbine oil tanks
FCT	Rockster Austria	Crushers
	Michelin France	PAP machines
	Hartl Engineering	Electrical skid, Electric Crushers
	HCE	R12 type Chassis
FUET	Tesmec Service Italy	Components for railway Equipment undercarriage
	Wasserkraft Austria	Components of turbine parts
	SHM Norway	Comp. for marine equipment
	Doosan Skoda Czech Republic	Stator supports
	Focus Bioenergy	Sawdust Container

Share of operating revenues by main operational lines in total revenues for 2018:

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The Company's commercial policy is to avoid significant dependence on a single Customer (no more than 35% exposure per customer). During 2018, the largest share of sales per customer was 26.60% of the total turnover, as follows:

Partner	Share in revenue (> 10%)	Income	Revenue pertaining to Segment
Siemens	19,51%	29,605,492	Equipment and parts for power-generation industry: FPI-FUET-FCT-FFE
Komatsu	17,56%	26,653,446	Earth-Moving Machines and parts: FUET
Tesmec	7,12%	10,800,015	Components for earth-moving equipment and railway vehicles

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 activity of providing the material base is done centrally by merging, all procurement departments in Comelf within the DEPARTMENT FOR PROCUREMENT AND LOGISTICS (DPL) Within the newly established department, the purchasing departments, the warehouse sector and supplier control, external collaboration and logistics carry out their activities.

Organizing such Department (DPL) has the following advantages:

1. Building large quantities of materials allows us to obtain a more attractive price from suppliers;
2. Procurement of larger quantities means that the supplier handles such orders more carefully;

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3. Centralized procurement allows standardization of purchased products and therefore guarantees a constant quality of products;

4. Greater specialization of staff such as one person becomes well acquainted with plates, another with pipes, another with paints etc., leads to a higher competence and a lower cost of the materials;

5. The consolidation of several smaller orders reduces the administrative costs, the time needed for negotiation and obtaining of favourable conditions for the buyer such as payment term, etc. ;

6. Relationship 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 is a risk that each factory will have stock of materials that instead of being used by other factories remain stuck, implicitly freezing financial resources.

The management of the procurement activity is carried out on the basis of the requests for materials issued by the technical departments, requests prepared for each client based on the orders they have placed with us.

Procurement departments and the warehouse sector are required to permanently check inventory material and then issue purchase orders to keep stocks under control at all times in order to avoid financial bottlenecks.

According to Comelf procedures there is a database for suppliers selected and evaluated based on quality criteria, price, delivery term.

Moreover, through the supplier control department, periodic plans for supplier auditing are set up to maintain the supply chain to a high standard correlated with the requirements of Comelf customers.

The purchase orders are issued after reviewing the offers received from at least 2 suppliers, selecting the supplier that provides the best conditions at least regarding the quality of the products, the price, the delivery term, the payment conditions etc.

4. Reviewing aspects pertaining to Company Employees:

The average number of staff dropped during 2018 from 1024 in 2017 to 878 employees in 2018. The staff structure was as follows:

	2018	2017
Executive Managers	7	8
Blue collars	548	650
White Collars and Administration Staff	323	366
Total	878	1,024

According to the Labour Code, within COMELF, the minimum wage may 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 noxious matter, for the head 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, a new Collective Labour Agreement was started at the company level with the employees' union, which was signed and deposited at ITM Bistrita-Nasaud 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

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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.

For the production processes, Comelf has obtained:

- Water Management Permit no.261 / 17.05.2016, issued by the National Administration "Apele Romane" Somes Tisa Water Department, valid until 17.05.2019;
- Environmental permit for operation no. 127 / 08.08.2011, revised on 06.12.2016, issued by MMGA-Environmental Protection Agency BN, valid until 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 and concerns 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. Company exposure and credit ratings of third parties are carefully monitored by 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. In 2018, 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 liquidity risk lies with senior executives, in particular the Chief Financial Officers of the factories and that of Comelf, who have built an appropriate liquidity risk management framework for securing the Company's short, medium and long-term funds and requirements on liquidity management. There is a continuous monitoring of the projected cash flows (3 months) and real flows by matching the maturities of financial assets and liabilities. The additional

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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 loss or loss of earnings as a result of unfavourable fluctuations in the exchange rate. Most of the Company's financial assets and liabilities are denominated in the national currency, the other currencies in which operations are conducted, EUR, USD and GBP. Most current assets are denominated in foreign currency (86%) 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) Interest rate risk

On 31 December 2018, most of the Company's assets and liabilities 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 of the direct productive staff, 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 the labour 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, economic 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 labour force, incentives for employment , etc.

However, the management of the Company can not 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 labour from India.

(h) *The fair value of financial instruments*

As of December 31st, 2018, the company no longer owns financial instruments.

8. Prospective elements of COMELF's activity:

The probable evolution of the company is found in the Revenue and Expense Budget Project for 2019, which provides for the following:

➤ Turnover:	156,438 thousand lei;
➤ Total income, of which:	159,431 thousand lei;
➤ Revenues from the production sold	157,431 thousand lei;
➤ Income from sale of goods + services	3,230 thousand lei;
➤ Income from the subsidies for the exploitation	111 thousand lei;
➤ Revenues from investment subsidies	1,567 thousand lei;
➤ Financial incomes (interest, favourable exchange rate differences)	1,426 thousand lei;
➤ Total expenses:	155,565 thousand lei;
➤ Gross profit:	3,866 thousand lei;

Comelf has proposed for 2019 an investment budget of 5,418,395 lei . These investments are designed to automate processes (welding) to increase production capacity for certain operations, to reorganize the production flow for repetitive products, to improve product quality, etc. Of the total investment program for the year 2019, mentioned above, company's own resources will be used, amounting to 2,612,523, out of which 114,259 represents leasing rates, the rest of the payments to be made in the following years, starting with 2020 by using leasing type financing.

In addition, in 2019 the company will support the reimbursement of EUR 750,000, part of the existing working capital loan, amounting to EUR 8,000,000 at 31.12.2018.

Company's tangible assets:

1.COMELF SA held at the end of 2018 the following production capacities:

- ❖ **Earth-Moving Machinery and Equipment Factory (FUET):** which manufactures **shipborne** 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;

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- ❖ **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 of these factories are located in Bistrita, no. 4, Industriei Street, 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 175,250 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 20.11.1995, 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 2018 will be used for; a). payment of dividends and b). other reserves;

2.3. The share capital of the Company did not change in 2018, 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 of December 31, 2017, COMELF SA did not hold participations in other companies. COMELF SA does not own subsidiaries.

3. Company 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:

Savu Constantin chairman
Babici Emanuel member
Mustata Costica member
Maistru Ion member
Parvan Cristian member

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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 company:

Affiliated part	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 central heating products	
Uzinsider General Contractor SA	Collaboration on turnkey jobs	
Promex SA	Collaborations in the manufacture of subassemblies	
24 Ianuarie SA	Collaborations 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:

Cenusa Gheorghe General Manager
 Pop Mircea Deputy General Manager
 Tatar Dana Financial Manager
 Marica Ioan AQM Manager
 Oprea Paul Managing Director of the factory
 Barbuceanu Florentin Managing Director of the factory
 Viski Vasile 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 2018 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 (D 9) 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 31.12.2018 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 31.12.2018

	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	Yes	The Board Regulation includes provisions on how to manage the conflict of interest.

	<p>the Board must notify the Board of any conflicts of interest that have arisen or may arise</p> <p>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.</p>		
A.3.	<p>The Board of Directors must consist of at least 5 members.</p>	Yes	
A.4.	<p>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.</p>	Yes	<p>COMELF is in the Standard category.</p> <p>No member of the Board of Administration does not hold executive position in COMELF.</p>
A.5.	<p>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 the course of his/her mandate.</p>	Yes	
A.6.	<p>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.</p>	Yes	

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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 2019, 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 2018, the Board of Directors met eight times with the participation of the majority Of the administrators at each meeting. the OGMS in April 2019 shows the BD report for 2019.
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 independent.	No	COMELF is in the Standard category.

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	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.
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	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.		
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 related to the transactions of the company and its subsidiaries with the parties affiliated companies.	No	The internal audit is carried out by an independent company.
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	No	The internal audit is carried out by an independent company, which reports to MB members

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	<p>legal standards and general internal audit standards accepted.</p> <p>The audit committee must receive and evaluate reports of the internal audit team.</p>		
B.8.	<p>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.</p>	No	The internal audit is carried out by an independent company.
B.9.	<p>No shareholder may be granted preferential treatment against other actresses in connection with transactions and agreements concluded by the company with shareholders and their affiliates.</p>	Yes	
B.10.	<p>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.</p>	No	The Board of Directors did not adopt a policy in this regard.
B.11.	<p>Internal audits should be performed by a separate division structurally (internal audit department) within the or by employing an independent third party.</p>	Yes	The internal audit is carried out by an independent company.
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	The internal audit is carried out by an independent company.

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SECTION C - Justa reward and motivation

<p>C.1.</p>	<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 the remuneration policy must be published in a timely manner on the page internet of the company.</p>	<p>No</p>	<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>
<p>SECTION D - Adding Value through Relationships with Investors</p>			
<p>D.1.</p>	<p>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</p>	<p>No</p>	<p>Information required according to the provisions legal information is posted on the website to the "Up-to-date" position.</p>

	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:		
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 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;	Yes	Posted on www.comelf.ro
D.1.6.	Name and contact details of a person who can	No	In AGA conventions one mentions who

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	provide on request relevant information;		can give extra relationships as well phone and contact email address.
D.1.7.	Presentations of the company (eg, presentations to investors, quarterly results, etc.), financial situations (quarterly, semestrial, annual), audit reports and reports yearly.	Partial	Financial statements (quarterly, semestrial, annual), audit reports and annual reports are posted on www.comelf.ro.
D.2.	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.	No	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.
D.3.	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 included only in the annual, half-yearly or quarterly reports. The forecasting policy will be published on the website society.	No	The company is considering developing a policies in this area.
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	Yes	

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	earlier, starting with the next shareholders' meeting.		
D.5.	External auditors will be present at the general meeting of actresses 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 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	Partial	The company has financially supported various cultural, artistic, sports, educational, olympic games of the students. The company is considering developing a

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its development strategy, will publish its policy on its activity in this field.		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 profit centres:

- 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 profit centres with their own revenue and expenditure budget, so each entity independently manages its activity starting from a portfolio of clients specific to each profit centre 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.

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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 profit centers offer mutual services and collaborate, being in constant interaction.

Starting with the year 2019, although the economic management will also be done on profit centers, 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 profit centers, 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 profit centers offer mutual services and collaborate, being in constant interaction.

✓ **Company's environmental protection activity:**

In 2018, the following actions were taken:

- continuation of the implementation process of the environmental management system according to the SR ISO 14001: 2015 standard;
- the continuation of the program on selective waste collection, including the inclusion of selective collection issues and the use of hazardous substances in training manuals;
- have updated the materials in the environmental education manuals, emergency situations, for job managers (production managers, workshops, service managers, etc.);
- continued the program of inspections in the sectors of activity regarding compliance with legal requirements on environment;
- instruction of all Comelf employees regarding hazardous substances and selective collection of waste, within the periodic monthly training;
- a simulation exercise was conducted on employee intervention in case of accidental water pollution in the PMG-FPI workshop;
- Succeeded in maintaining fugitive emissions within legal limits below 20%;

Perspectives 2019:

- increase of recycling index by recycling of packaging waste against legally imposed targets, cardboard -60%, plastic -22,50%, wood-15%, metals -50% with 10% for metal, 10% paper, 5% for wood, 5% for plastic;
- Reduction of waste quantities of all employees regarding the selective collection of waste, within the periodic monthly breaks;
- maintaining fugitive emissions within legal limits - below 20% relative to the annual consumption of corrosion protection materials;

✓ **Company's Work in Safety and Health at Work:**

During the **year 2018 the** following actions were carried out:

- the implementation of the OSH management system according to the SR OHSAS 18001: 2008 standard was continued;
- the promotion campaign started in 2014, the importance of the SSM on the occasion of the International Day of OSH - April 28, 2018, through the editing and printing of a safety and health magazine in work (3rd edition / April 2018);
- have updated the materials in the training manuals on safety and health at work for job managers;
- the program for the purchase of the individual protective equipment has been continued to provide safety and comfort in use;
- have been reviewed the risks of injury and occupational disease, operational procedures and instructions, depending on changing working conditions and risk assessment;
- continued the program of inspections in the sectors of activity regarding the compliance with the legal requirements on SSM, PSI-SU;
- the program started in 2015 regarding employee health monitoring, in collaboration with a company specialized in medical services;

In 2018 there were 400 ITM days from 3 work accidents, the performance indicator of the number of workplace events reported for the number of people employed in Comelf is SSMev, respectively the performance indicator on the number of days of temporary incapacity work due to workplace accidents reported to the number of people employed in COMELF is SSMcb, as follows:

SSMcb 2018-0,453;

SSMev 2018- 0.0033

Perspectives 2019:

- recertification of the health and safety management system according to the SR iso 45001/2018 standard; continuous improvement and maintenance of the management system according to SR ISO 45001/2018;
- reducing the number of days of temporary incapacity for work from serious work accidents by 5%;

- continuing the campaign to promote the importance of SSM on the occasion of the International Day of OSH (April 28, 2019);
- continuation of the employee health monitoring program; consultation of employees on safe and healthy working conditions, participation of employees in the identification of risks specific to activities and jobs;

✓ **Company Activity in Fire Prevention and Extinction:**

During the **year 2018 the** following actions were carried out:

- Execution plans have been revised, all extinguishers in the activity sectors have been checked,
- updating intervention teams in each sector of activity; each has been rebuilt to intervene in the event of emergencies on alarm, the use of fire extinguishers, interruption of electricity and technical gas, first aid and evacuation of material goods;
- have purchased and installed doors designed for emergency exit with doors equipped with anti-panic bar system at FPI-SPOC, FPI-Service Center, TERRA;

Perspectives 2019:

- Obtaining authorization for FCT mechanized blasting / dyeing hall in terms of PSI according to Law 307/2006 art 30.1;
- continuation of the program for changing and upgrading the door escape doors with an antipanic bar system, according to the fire safety regulations of the P-118/2013 constructions;

✓ **Company's human resource policy:**

In 2018 the 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 2018 increased by 4.5% compared to the previous year;
- qualification and professional development of employees. The company is from 16.12.2015 accredited as a provider of training for welding trade;
- rejuvenating the workforce;
- training and support of the students from the partner school groups and the students from the Technical University of Cluj-Napoca, the Bistrita Branch in order to be employed in COMELF;
- All the steps to enter the DUAL education system have been made, we are the only Bistrita company that has set up a class of mechanical locks to learn in a dual system.

In the past year, 113 people, mainly young people from the ranks of former students and students who have practiced in society, and the labor market, were employed, while 245 people were left. The fluctuation indicator for staff was 2018 at 28%.

On 31.12.2018, the COMELF staff, by skill levels, was as follows:

- higher education: 250 people
- secondary education: 160 people
- vocational school: 447 people
- unqualified workers: 56 people

Recruiting, initiating and qualifying the company's person:

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 in practice each year. We currently have employees who are also students whose company has accepted a flexible program to be able to prepare and frequent faculty and who will mostly work in the company after graduation. Of the four partner school groups, 259 students are practicing in the society, providing them with work and safety equipment and a warm meal. In this way, besides the concrete problems we have solved with students and students, they adapt to the industrial environment and integrate into our collective. This involves additional costs and effort in terms of supervision, equipment, practical coordination, but it is a sure method of attracting future employees and addressing gaps in professional training.

The recruitment of the staff is done throughout the county of Bistrita-Nasaud, aiming at ensuring all the conditions for the transportation of employees to and from the workplace, by collaborating with an important person transporting the county from the most important routes.

Additionally, the company has taken steps to import labor and have been tested by qualified personnel in India. The company's intention is to import a total of 35 skilled workers in the welding and CNC operator.

Recruitment is now also on online platforms like E-jobs and OLX.

President of BD-eng. Savu Constantin

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