



2017

ANNUAL REPORT

2017

REPORT OF THE BOARD OF DIRECTORS

According to National Securities Commission Regulation no. 1/2006 regarding issuers and operations with securities for the financial year 2017

Report date	Mars 26 th 2018
Name of the issuing entity	COMP A S.A.
Registered office	Sibiu, 8, str. Henri Coandă, cod 550234
Phone number	+40269 237 878
Fax number	+40269 212 204; +40269 237 770
VAT code	RO 788767
Registration number in the Trade Registry	J 32/129/1991
Subscribed and paid share capital	21,882,103.8 RON
Regulated Market on which the issued securities are traded	Bucharest Stock Exchange, Standard Category, symbol CMP
LEI Code	315700EXV87GJDVUUA14

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1. ANALYSIS OF THE ACTIVITY OF COMPA SOCIETY

1.1. Elements of general evaluation






According to the Constitutive Act of the society, COMPA society produces and commercializes components and parts for the machine building industry (cars, transport vehicles, buses, trailers, tractors, rail carriages and diverse industrial equipments), thermic energy, including services and technical assistance, effectuation of foreign trade operations, engineering, direct collaboration with foreign trade banks, effectuation of operation of currency, being able to take part and agree to credit operations; it also carries on social activities for the employees.

COMPA society was founded by H.G. nr1296/13.12.1990 according to Law nr.15/1990 and Law nr.31/1990. Starting with that date, the Machine Parts Factory / Plant ends its activity, the entire its patrimony being taken over by the new society.

COMPA society was registered at the Trade, Industry and Agriculture Chamber-The Trade Register Office at the Court of Sibiu, with the nr.J/32/129 from 12.02.1991, European Unique Identifier ROONRC.J32/129/1991.

COMPA is a society based on shares, with Romanian judicial personality, it is organized and functions in accordance with the Constitutive Act of the society and with the present legislation.

The year 2017 was a year with multiple challenges and achievements in most areas of society.






-  The rate of increasement of the production of goods and the turnover achieved in 2017 was 10% higher than the level of these indicators achieved in the previous year, 2016;
-  The most significant increases in production volume in 2017 were recorded in the manufacturing of components for Bosch and Delphi injection system components for turbochargers as well as in the production of mechanical - welded subassemblies for lifting equipment;
-  In the same period (2017), the production of some operations from Delphi to COMPA inclusive of the necessary machinery and equipment was transferred in order to increase the integration of the components of the Delphi injection system into COMPA;
-  The value of the investments made in 2017, although lower than the level recorded in the previous years, was 36.86 million lei (8.07 million euros);
-  In order to ensure that the company's profitability is maintained, even if customers are asked to reduce prices in accordance with contractual obligations, and to offset unforeseen expenses by providing staffing needs (transport costs plus subscriptions to staff company) on the other hand, COMPA introduces the Cost Reduction System on the basis of process improvement programs and other cost categories, programs with a positive impact in maintaining the financial performance of the company.

The main indicators, as well as the main elements for general evaluation of the activity are presented in the dynamics of the tree years, in Table 1.1.

Table 1.1(lei)

EXPLANATION	2015	2016	2017	% 2017 / 2016	% 2017 / 2015
Net profit	27,133,356	51,627,557	38,098,354	73.79	140.41
Turnover, of which:	480,430,751	638,659,554	704,042,288	110.24	146.54
- export	341,223,964	483,247,663	554,364,183	114.72	162.46
Total Revenues	504,342,601	678,066,739	714,102,062	105.31	141.59
Total Expenses	474,788,855	624,644,544	671,459,248	107.49	141.42
Current assets	219,852,409	202,671,111	237,160,153	117.02	107.87
Total liabilities	122,611,137	123,286,012	126,108,152	102.29	102.85
Liquidity	1.79	1.64	1.88	114.40	104.88

Analyzing the evolution of the main economic indicators presented in Table 1.1, we consider that it is necessary to highlight the following aspects:

-  Turnover increased by more than 10% in 2017 compared to 2016 and by over 46% as compared to 2015;
-  The net profit achieved in 2017 is lower than the one earned in 2016 due to the fact that in 2016 the gross and net profit was positively influenced by the gain of the 26.91% stake in the joint-stock company ThyssenKrupp Bilstein Compa SASibiu . On the one hand, the profit tax in 2017 was over 2.3 million. Lei higher than the one in 2016, the year in which a larger volume of investment has been put into operation that has benefited from the "tax exemption on reinvested profits"
-  The increase of current assets by [over 17% in 2017 compared to 2016 was influenced by:
 - Increasing the turnover by over 10%, with an impact on the increase of the current assets in general;
 - Increasing the balance of trade receivables at the end of 2017 by more than 26% compared to the balance at the end of 2016, which is higher than the increase in turnover and was due to more or less objective causes in relation to certain clients
-  The evolution of the current debts of 2017 compared to the year 2016 of which the largest share of commercial debts was positive was positive. The 2.3% increase in the current debt level at the end of 2017 as compared to 2016 was lower than the increase in turnover;
-  The current liquidity of 1.88%, representing the ratio of Current Assets / Debts of less than one year, also showed a positive evolution at the end of 2017 compared to the corresponding period of the previous year, being influenced by the evolution below the level of the increase in turnover, the rise in commercial debt.

1.2. Evaluation of the technical level of company COMPA

a) Description of main products manufactured and / or services provided, share in earnings and turnover of the company, market positioning




Synthetically, the situation of production of goods on product groups in 2015 as compared to the budget and previous years is shown in Table 1.2.1.

Table 1.2.1. (k RON)

PRODUCT GROUP	2014	2015	2016		% 2017 / 2017 REB	% 2017 / 2016	% 2017 / 2015
			REB	Carried out			
Stamped parts, cupping	6.822	6.690	6.750	7.528	111,53	112,53	110,35
Welded assemblies	25.665	28.088	36.000	37.356	103,77	133,00	145,55
Drive shafts, steering and brake equipment	2.005	1.199	1.180	2.163	183,31	180,40	107,88
Valves Delphi	10.754	92.227	94.500	112.503	119,05	121,98	1046,15
Pinions, steering gears -JTEKT	27.897	28.788	34.200	34.931	102,14	121,34	125,21
Windscreen wiper components - Bosch	118.870	106.206	73.400	78.808	107,37	74,20	66,30
Hot coiled and cold coiled springs	5.233	6.650	6.900	7.678	111,28	115,46	146,72
Components for turbochargers - Honeywell	55.635	69.474	84.600	88.250	104,31	127,03	158,62
Components for injection systems – Bosch Rail	37.818	66.777	85.000	84.104	98,95	125,95	222,39
Components for air conditioning equipment - Daikin	5.331	5.044	7.430	6.068	81,67	120,30	113,82

PRODUCT GROUP	2014	2015	2016		% 2017 / 2017 REB	% 2017 / 2016	% 2017 / 2015
			REB	Carried out			
Injector body - Delphi	153.957	194.444	216.450	218.000	100,72	112,11	141,60
Utilities supply	10.266	11.989	12.150	9.385	77,24	78,28	91,42
Valorization of reusable materials	2.517	2.467	2.520	3.854	152,94	156,22	153,12
Tooling	6.502	4.128	4.290	5.670	132,17	137,35	87,20
Miscellaneous	11.162	14.488	7.630	7.744	101,49	53,45	69,38
TOTAL MERCHANDISE PRODUCTION	480.431	638.660	673.000	704.042	104,61	110,24	146,54

The evolution of the production of goods by product group in 2017 compared to the achievements of this indicator in the previous years (2016 and 2015) as well as the provisions of the 2017 income and expenditure budget is presented in detail in Table 1.2.1.

-  Total *production of goods* in 2017 increased by 10.24% compared to the achievements of 2016 and respectively by 46.54% as compared to 2015, registering an increase of 4.61% compared to the budget of revenues and expenditures in 2017;
-  More significant increases in the volume of production made in 2017 as compared to 2016 were registered in the following product groups: welded mechanical assemblies, components for turboblower production of tools; components for Bosch injection systems;
-  Decreases in the volume of production made in 2017 as compared to 2016 were registered with: component for windscreen wipers.

The dynamics of merchandize delivered to export in 2016 compared to the level of 2014 and 2015, as well as compared to the provisions from the budget for 2016 is presented briefly in Table 1.2.2.

Table 1.2.2.(k Euro)

PRODUCT GROUP	2015	2016	2017		% 2017 / 2017 REB	% 2017 / 2016	% 2017 / 2015
			REB	Carried out			
Stamped parts, cupping	1.159	1.065	1.090	1.135	104,13	106,57	97,93
Welded assemblies	2.334	2.791	5.040	3.715	73,71	133,11	159,17
Drive shafts, steering and brake equipment	7	0	0	210			
Valves - Delphi	2.415	20.539	21.000	24.648	117,37	120,01	1020,62
Pinions, steering gears - JTEKT	6.315	6.462	7.600	7.710	101,45	119,31	122,09
Windscreen wiper components - Bosch	26.744	23.599	16.300	16.996	104,27	72,02	63,55
Hot coiled and cold coiled springs	599	670	680	868	127,65	129,55	144,91
Components for turbochargers - Honeywell	12.079	14.150	17.800	18.213	102,32	128,71	150,78
Components for injection systems – Bosch Rail	8.510	15.038	18.900	18.424	97,48	122,52	216,50
Components for air conditioning equipment - Daikin	1194	1042	1.150	1124	97,74	107,87	94,14

PRODUCT GROUP	2015	2016	2017		% 2017 / 2017 REB	% 2017 / 2016	% 2017 / 2015
			REB	Carried out			
Injector body - Delphi	13.202	19.958	21.600	27.300	126,39	136,79	206,79
Tooling	1.009	425	470	715	152,13	168,24	70,86
Other products and services	1.482	2.143	2.570	451	17,55	21,05	30,43
TOTAL EXPORT	77.049	107.882	114.200	121.509	106,40	112,63	157,70

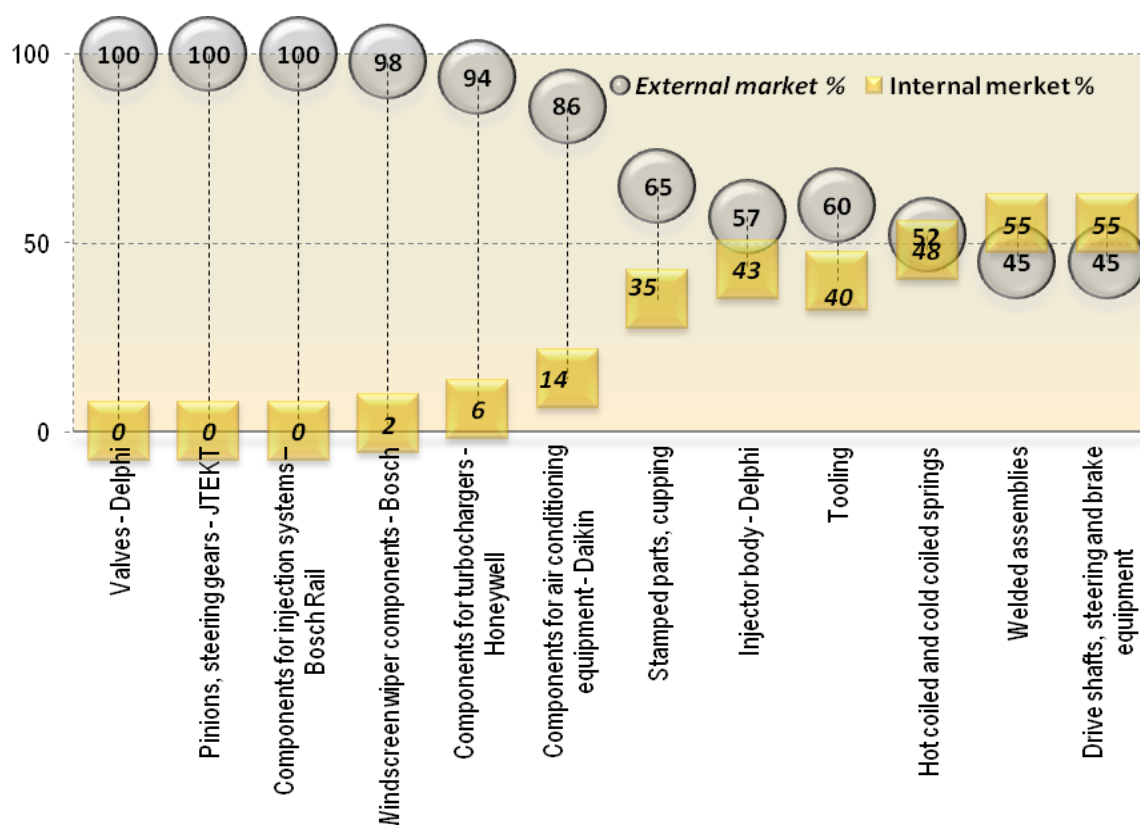
The export output made in 2017 was 12.63% higher than in 2016 and 57.7% more than in 2015, and was also higher than in the 2017 budget by 6.4%.

More significant export growths were registered for the following product groups:

- Components for injection systems
- Pinions steering gears
- Welded assemblies
- Components for turbochargers
- Components for injection systems - Bosch Rail

In table 1.2.3.is presented the share of COMPA main product groups in export production and internal production:
Table 1.2.3.

PRODUCT GROUP	Export %	Internal market %
Valves - Delphi	100	0
Pinions, steering gears - JTEKT	100	0
Components for injection systems – Bosch Rail	100	0
Windscreen wiper components - Bosch	98	2
Components for turbochargers - Honeywell	94	6
Components for air conditioning equipment - Daikin	86	14
Stamped parts, cupping	65	35
Injector body - Delphi	57	43
Tooling	60	40
Hot coiled and cold coiled springs	52	48
Welded assemblies	45	55
Drive shafts, steering and brake equipment	45	55



Information from Table 1.2.3. is presented also graphically above, where the distribution of production registered for 2016, whether it is intended for export or internal market, can be easier observed.

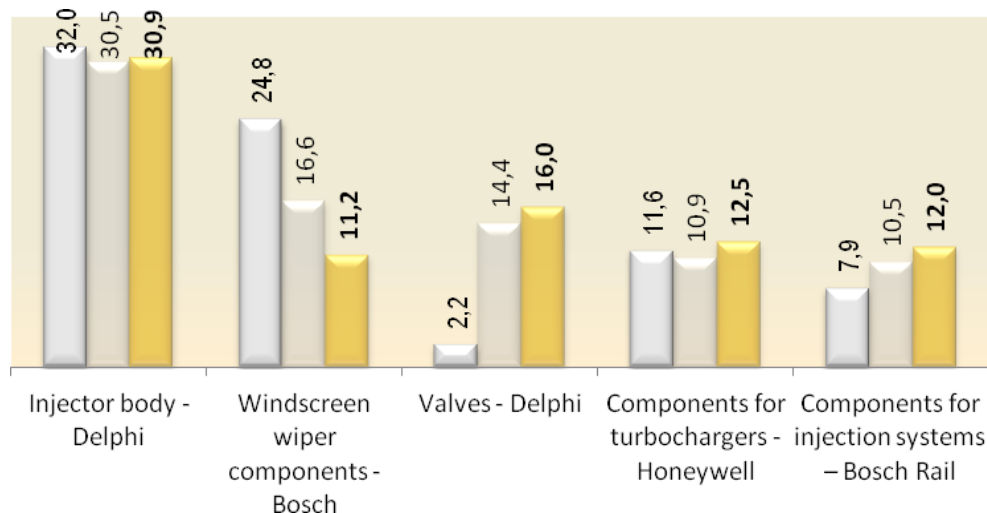
The share in the total turnover of main product groups is presented in evolution in table 1.2.4.:

Table 1.2.4.

PRODUCT GROUP	% in turnover		
	2015	2016	2017
Injector body - Delphi	32,0	30,5	30,9
Windscreen wiper components - Bosch	24,8	16,6	11,2
Valves - Delphi	2,2	14,4	16,0
Components for turbochargers - Honeywell	11,6	10,9	12,5
Components for injection systems – Bosch Rail	7,9	10,5	12,0
Pinions, steering gears - JTEKT	5,8	4,5	4,9
Welded assemblies	5,3	4,4	5,3
Stamped parts, cupping	1,4	1,0	1,1
Hot coiled and cold coiled springs	1,1	1,0	1,1
Tooling	1,4	0,7	0,8
Components for air conditioning equipment - Daikin	1,1	0,8	0,9
Drive shafts, steering and brake equipment	0,4	0,2	0,3
Different products	5,0	4,5	3,0
TOTAL	100,0	100,0	100,0

Weight of the main products in turnover 2017

Comparaed to the years 2015; 2016



From the table 1.2.4 and the graphics presented one can see that in the year 2017 production designated for customer is concentrated as it follows:



A number of 3 customers purchase together 82,6% from COMPA's production



The sales share to these customers is the following:

- 46,9% Delphi;
- 23,2 % Bosch;
- 12,5% Honeywell.

b) New products taken into account which will affect a substantial volume of assets in the future financial year, as well as the developing status of these products

The technical and development function within COMPA plays a key role in the company's business system, because of the serious changes in the structure of orders during recent period. Along the year 2015 new products were introduced in production, products for which the production capabilities are assured and which will have a major impact on production in the following years. In terms of business ends, the share of new products in the turnover of the company has constantly surpassed the 15% target, denoting the dynamism and proficiency of the company when it comes to adapting to new requests, replacing existing products, and expanding its portfolio.

"Valves" validation tests designated for DMG tool type machine cabs have started.
The validation is to be completed in 2018.

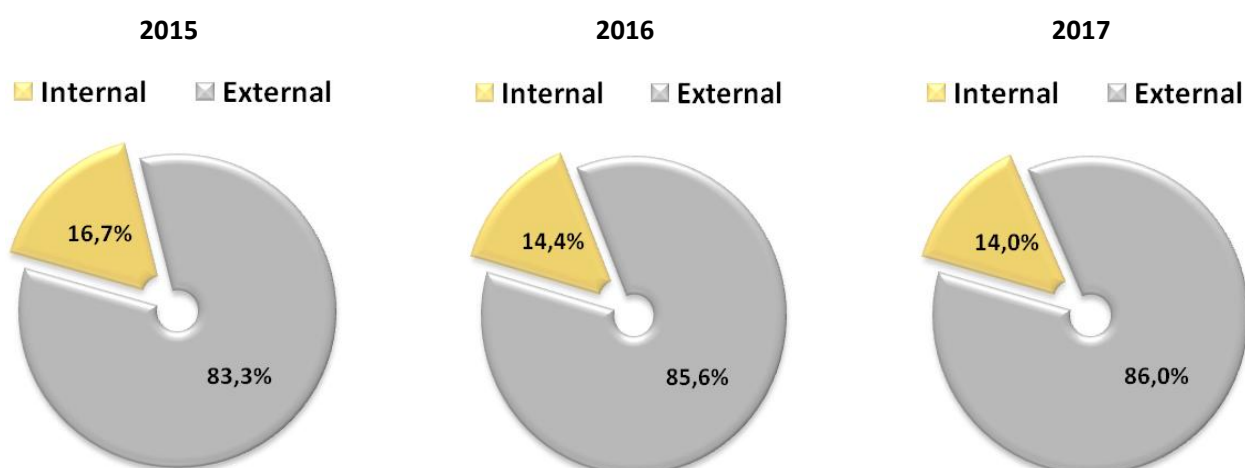
1.3.Evaluation of the supply activity (domestic and import sources)

The provision of the necessary raw materials for the manufacturing processes in COMPA is ensured from both the domestic market and import. A significant part of the necessary materials and components supplied from Romania come from foreign companies which have set up companies or branches in Romania.

Total purchasing volume and their share on domestic and import market in the total purchasing for 2017 as compared to 2015 and 2016 is presented in Table 1.3.1.

Table 1.3.1.

SUPPLY SOURCE	2015		2016		2017	
	Amount (k Euro)	%	Amount (k Euro)	%	Amount (k Euro)	%
Internal	10.013,3	16,7	11.442,4	14,4	12.639,6	14,0
External	49.860,0	83,3	68.251,8	85,6	77.656,2	86,0
TOTAL	59.873,3	100,0	79.694,2	100,0	90.295,8	100,0



a. Main domestic suppliers; share in purchasing total value

Details on domestic purchasing and main suppliers are presented in Table 1.3.2.a, below:

Table 1.3.2.a

SUPPLIER NAME	Group of purchased products	Purchasing value 2015 (excl. VAT) k Euro	% in total purchasing 2015	Purchasing value 2016 (excl. VAT) K Euro	% in total purchasing 2016	Purchasing value 2017 (excl. VAT) K Euro	% in total purchasing 2017
Bamesa Topoloveni	tablă	415,55	4,15	1.000,09	8,7	1.622,07	12,8
Baurom Galați	tablă	701,74	7,01	222,45	1,9	461,94	3,7
TKT Timișoara	lubrifianți	322,16	3,22	320,69	2,8	313,30	2,5
Lokve Agriprod Ploiești	lubrifianți	523,65	5,23	580,41	5,1	702,65	5,6
Linde Gaz Timișoara	gaze industriale	147,69	1,47	168,32	1,5	196,37	1,6
Chevron București	lubrifianți	135,90	1,36	140,53	1,2	164,24	1,3
Tech Service Mediaș	rulmenți, piese pt. mentenanță	328,27	3,28	414,65	3,6	257,99	2,0
Emuge Romania Cluj	scule	468,84	4,68	784,26	6,9	657,31	5,2
Guhring Sibiu	scule	156,35	1,56	475,06	4,2	589,99	4,7
Maxim București	scule	898,55	8,97	1.461,03	12,8	1.640,43	13,0
Schmolz & Bickenbach Romania	bare oțel	115,94	1,16	445,3	3,9	1.272,4	10,1

SUPPLIER NAME	Group of purchased products	Purchasing value 2015 (excl. VAT) k Euro	% in total purchasing 2015	Purchasing value 2016 (excl. VAT) K Euro	% in total purchasing 2016	Purchasing value 2017 (excl. VAT) K Euro	% in total purchasing 2017
Total		4.214,64	42,09	6.012,73	52,5	7.878,73	62,3
Total cumpărări interne		10.013,3	100,00	11.442,4	100,0	12.639,6	100,0
Total cumpărări		59.873,30		79.694,2		90.295,8	

b) Main external suppliers; their share in total external purchasing :

Table 1.3.2.b

SUPPLIER NAME	Group of purchased products	Purchasing value 2015 (excl.VAT) k Euro	% in total purchasing 2015	Purchasing value 2016 (excl.VAT) K Euro	% in total purchasing 2016	Purchasing value 2017 (excl.VAT) K Euro	% in total purchasing 2017
Hirschvogel Germania	Semifinished parts	6.814,66	13,67	5.760,60	8,41	6.751,5	8,69
RB Belgia	Rubber parts, components	5.042,74	10,11	4.036,97	5,89	2.963,3	3,82
SAM Viviez France	Semifinished parts	1.174,55	2,36	1.213,23	1,77	2.092,8	2,69
Dogu Pres Turkey	Semifinished parts	479,58	0,96	499,08	0,73	546,7	0,70
Saint Jean Industries Loraine France	Semifinished parts	1.739,97	3,49	1.609,97	2,35	1.457,8	1,88
VDS Holland	components	1.462,46	2,93	1.231,49	1,80	578,1	0,74
Panne Belgium	components	2.068,42	4,15	1.647,66	2,40	937,9	1,21
HPO Samat France	components	403,25	0,81	533,42	0,78	747,4	0,96
Ascometal Luchini France	Alloy steel bars	1.075,14	2,16	1.042,33	1,52	1.442,5	1,86
Wieland Germany	Copper tubes	337,07	0,68	289,80	0,42	269,2	0,35
Precision Resource USA	Components	1.023,33	2,05	1.040,10	1,52	954,2	1,23
DecoRec France	components	614,59	1,23	823,96	1,20	829,1	1,07
Marcegaglia Italy	Steel band	214,45	0,43	343,11	0,50	834,0	1,07
Sandviken Sweden	tooling	804,22	1,61	1.030,64	1,50	1.237,6	1,59
Schaub Israel	tooling	1.523,11	3,05	1.764,98	2,58	1.983,5	2,55
DIAGER France	tooling	424,06	0,85	449,42	0,66	363,1	0,47
CIMOS		1.249,22	2,51	1.911,15	2,79	2.015,6	2,60
Stoba Präzisionsteile GmbH & Co KG		3.625,43	7,27	19.818,33	28,92	23.145,7	29,81
Setforge		2.780,75	5,58	1.842,34	2,69	1.229,5	1,58
Total		32.857,0	65,90	46.888,6	68,43	50.379,4	64,87
Total external purchasing		58.243,9	58.243,9	49.860,0	100,00	68.251,8	100,00
Total purchasing		59.873,3		79.694,2		90.295,8	

c) **Value structure of purchase in terms of supply sources: domestic and import- for the main groups of products.**

The structure of the purchases, both internal and import supply source on product groups is presented in the table below:

Table 1.3.2.c

PRODUCT GROUP	2015		2015		2017	
	Internal	External	Internal	External	Internal	External
	%	%	%	%	%	%
Sheet	90,79	9,21	96,2	3,8	98,2	90,79
Steel bars	9,79	90,21	13,1	86,9	20,9	9,79
Tubes	77,46	22,54	88,4	11,6	81,8	77,46
Wire	73,79	26,21	64,1	35,9	63,9	73,79
Band	25,81	74,20	14,4	85,6	14,5	25,81
Non Ferrous	2,81	97,19	6,7	93,3	0,0	2,81
Semifinished parts, components	0,26	99,74	0,3	99,7	0,3	0,26
Rubber seals	0,27	99,73	0,2	99,8	0,0	0,27
Fasteners	4,45	95,55	1,7	98,3	1,7	4,45
Standard tooling	34,59	65,41	34,5	65,5	14,2	34,59
Total purchase	14,67	85,33	15,0	85,0	14,0	14,67

1.4. Evaluation of sales activity

During the period of evaluation the marketing and sales activity was focused on two main directions:

1.4.1. Expanding and strengthening cooperation within projects already implemented with existing clients like DELPHI, BOSCH, HONEYWELL, JTEKT, HAULOTTE.

Within this group, we would like to highlight the expansion of cooperation in the manufacturing field of components for *injection systems* with companies DELPHI and BOSCH, and also in the field of mechanical welded structures with HAULLOTE.

1.4.2. Attracting new clients.

In 2017, the efforts of the Marketing Department were focused on attracting new clients (VCST, TRW, DMG, WILO) and extending businesses with existing clients, like the following:

Delphi : several discussions and price offers for a multitude of references .

Haulotte: price offers finalized with both prototype orders and serial orders for welded structures.

JTEKT + FUJI : several price offers for components for steering systems, for some of them we received nominalization

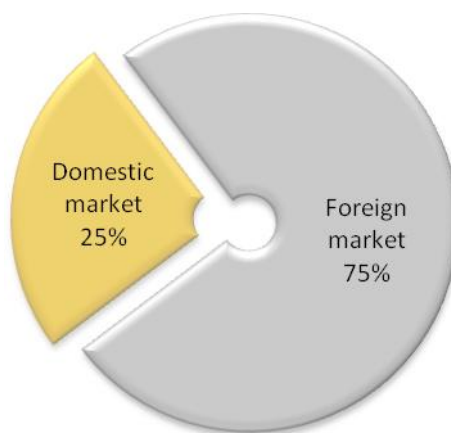
From the following clients: **TAKATA**, **SCHAEFFLER**, **FRITZMEIER**, **ATERA**, **HUTCHINSON**, **BOS**, **TKBC** we won new businesses for stamped parts, springs and coatings.

We have received new orders for tooling from: **A & C Electric**, **SCHAEFFLER**, **CRAFT**, **INDUSTRIES**, **EMBA SUECIA**

We plan to develop the business of spring production, mechanical welded structures, stamped parts, tool shop and industrial equipment, machined parts, drive shafts repair services, surface protection and metrological services.

We are particularly interested in replacing the production for diesel engines, with a focus on electric cars, for the future.

Market segmentation: In terms of geographical area, the sales structure in 2017 was the following:



We are focusing in particular on finding new clients for forged parts.

The share of the major clients in turnover is reflected in Table 1.4.1:

Tab.1.4.1.

CLIENT	Share in Turnover 2015(%)	Share in turnover 2016 (%)	Share in turnover 2017 (%)
Bosch Diesel System	29,6	27,9	23,2
Delphi	35,5	45,3	46,9
Honeywell Garrett	10,3	9,2	12,5
JTEKT, Fuji Koyo	6,2	4,9	4,9
ThyssenKrupp Bilstein Compa	2,1	-	-
Haulotte	4,6	4,0	5,0
<i>Other clients</i>	<i>11,8</i>	<i>8,7</i>	<i>7,5</i>
Total	100,0	100,0	100,0

1.5. Evaluating aspects of the company's employees / personnel












COMPAs human resources policy aims at transforming the company into an organization that "learns continuously".

The company management is aware of the advantages of a highly qualified human resources personnel, familiar with the requirements of the industrial environment, capable of meeting the quality requirements demanded by customers. Therefore, employee training represents a priority for the company management.










COMPAs, as an "organization that learns", provides constant development opportunities for all its members, uses learning to achieve business goals, ensures a permanent relationship between individual and business performance, supports career development, and determines people to identify with the organization.

The objective of trainings in 2017, was 26 hrs of training / employee. Training costs in 2017 totaled up to 1.041.776 RON.

Strategic guidelines of the training process in 2016 were:

-  retraining of employees to adapt to new processes;
-  standardizing and enhancing the efficient integration and adaptation of new/ transferred employees, as well as people who do not have any qualifications;
-  ensuring an efficient process for adaptation and integration of new employees with higher education;
-  improving the response mode, in case of emergency situations, and ensuring competent staff responsible for the company's protection;
-  improving leadership skills of Operations Managers and Production Managers;
-  adoption and implementation of policies, quality/environmental objectives and OHS in conjunction with the standards of ISOTS 16949, SREN ISO 14001 and OHSAS 18001;
-  knowing the requirements of standards ISO 9001:2015 and IATF 16949;
-  job-specific skills development for validation/re-validation of the post and raising versatility;
-  developing the school-enterprise relationship through: supporting of dual vocational education and internships, laboratory classes, competence exams;
-  diversification of the COMPA educational offerings in correlation with the needs of economic agents and the requirements of the labor market;
-  implementing the requirements of ISO 26000 - Social Responsibility;

Training objectives focused on:

-  developing new skills of employees through training/retraining for jobs in the mechanical field: MUCN operator, welder, metrology technician, forklift operator, etc.;
-  skill development of administrative employees for improving the response mode in case of emergencies and to ensure the company's safety;
-  skill development of project managers, quality engineers, PPAP and APQP process engineers, safety standards and ensuring product safety and liability;
-  skill development of employees in the production logistics field;
-  update the knowledge of system auditors relating to the ISO 9001:2015 and IATF 16949 standard requirements;
-  developing language skills of personnel from the production quality field;
-  communication and decision making skill development of Operations Managers and Production Managers;
-  annual certification of personnel for special processes;
-  improving the knowledge level for job posts and improving versatility

Recruitment and selection policy

There were 1600 employment offers filed in 2017 (CVs, applications, letters of intent). Of these, only a total of 1400 people participated at an interview. 692 people attended the psychological tests and work trials for the vacant positions. Of these, 537 were employed; 32 have been rejected at the work trials, 30 persons with mental retardation, illiteracy, ill health and 93 people gave up the position offered various reasons (work environment, working hours, wages too low).

Social and wage policy

Following the negotiations between COMPA and unions, in November 2017 there was a wage increase of 4,5%. Consequently, this lead to a rise in benefits (Christmas and Easter bonuses, holiday bonus, travel allowances, etc.).

Furthermore, employees received food tickets throughout the whole year. Strict labor relations in accordance with the legal Labor Code and contractual collective agreements exist between the COMPA management team and its employees. There is also a weekly correspondence between the management team and employee representatives.

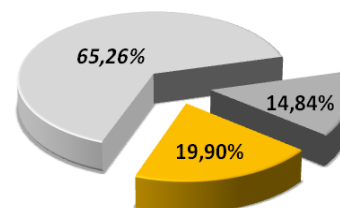
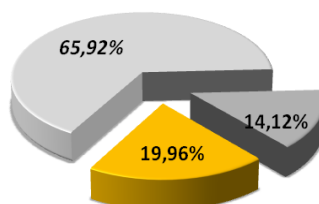
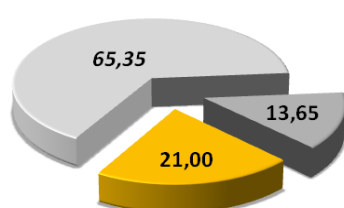
The relationship between the two parties has improved compared to previous years. The communication and kinship have become much clearer and the two parties participated to joint meetings. Therefore, stagnation periods of the production process due to work conflicts have diminished.




The following table (Table 1.5.1.) is a representation of the analytic evolution of employed workers, in comparison with previous years and categorized on employment type, cost centers, and product groups.

Table 1.5.1. (avg. nr.)




WORKSHOP	TOTAL PERSONELL (TP)			Direct production workers (DPW)			Production support staff (PSS)			SGA		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
COMPA TOTAL, from which:	1743	1954	2031	1139	1288	1.312	238	276	305	366	390	414
Pinions, steering gears	95	89	107	62	55	70	12	14	16	21	20	21
Windscreen wiper components	274	265	198	211	207	148	32	30	23	31	28	27
Welded assemblies	152	166	161	121	134	128	13	13	12	18	19	21
Components for turbochargers	109	117	147	62	71	102	26	26	24	21	20	21
Components for air conditioning equipment	23	22	24	14	13	15	4	4	4	5	5	5
Valves	47	50	50	34	34	34	10	13	13	3	3	3
Components for injection systems - Rail	64	96	124	44	68	86	6	12	21	14	16	17
Injector body	559	640	686	397	455	475	98	112	128	64	73	83
Other products and services	420	509	534	194	251	254	37	52	64	189	206	216

2015			2016			2017		
DPW	1.139	65,35%	DPW	1.288	65,92%	DPW	1.312	65,26%
PSS	238	13,65%	PSS	276	14,12%	PSS	305	14,84%
SGA	366	21,00%	SGA	390	19,96%	SGA	414	19,90%
TP	1.743	100.00%	TP	1.954	100,00%	TP	2.031	100,00%



 Direct production workers (DPW)
 Production support staff (PSS)
 SGA

Analyzing the evolution of average number of employed personnel in 2015 in comparison with 2014 and 2013, we conclude the following:

-  the average number of employees increased from 1.954 in 2016 to 2.031 in 2017, leading to an increase in production and consequently an increased turnover;
-  the largest increase (from 1.288 workers to 1.312) has been recorded at direct workers, due to the a rise in some product groups;
-  due to COMPA's lack of engineers, indispensable personnel for new product lines and projects in this period, a rise in SGA personnel has been registered.

The evolution of productivity throughout 2017 compared to previous years can be seen in Table 1.5.2.

Table 1.5.2. (th.lei/person/year)

ACTIVITIES	2015	2016	2017
COMPA TOTAL, from which:	275.63	326.85	346.64
Pinions, steering gears - JTEKT	293.65	323.46	326.46
Windscreen wiper components - Bosch	433.83	400.78	398.02
Welded assemblies	168.85	169.2	232.02
Components for turbochargers - Honeywell	510.41	593.8	600.34
Components for air conditioning equipment - Daikin	231.76	229.28	252.84
Valves - Delphi	228.8	1844.55	2250.06
Components for injection systems – Bosch Rail	590.9	695.6	678.26
Injector body - Delphi	275.41	303.82	317.78
Other products and services	57.01	56.86	39.30

The labor productivity throughout 2017 amounting to 346,64 th.lei/employee is higher than in 2016 (326,85), as well as the productivity in 2015 (275,63).







Labor productivity has increased in 2017 as compared to 2016 by 6.1% and by 25.8% as compared to 2015. The growth is different on products groups.

The highest increase was achieved with the "valve" product of 22% well above the average achieved on the total COMPA but also over the other product groups.

1.6. Assessing the quality of the issuer and impact of its core business on the environment. Synthetic description of the impact of the issuer's core activities on the environment and of any existing or envisaged disputes regarding violations of legislation on environmental protection

The main achievements of 2017 in the field of quality and environment.

The integrated quality, environmental, occupational health and safety management system functioning was improved and the certification was maintained, following the audit of TÜV Rheinland, in accordance with framework standards:

-  ISO 9001 for products and processes outside the automotive domain - certificate no. TRR 100 20778;
-  ISO TS 16949 for the automotive domain - certificate no. 01 111 20778;
-  ISO 14001 for all products processes and activities of the company - certificate no. TRR 110 20778;
-  SR OH SAS 18001, for all processes and activities of the company - certificate no. TRR 126 20778;
-  SR EN ISO / IEC 17025 for metrology laboratory work - certificate no. BV-12-01-17;
-  Additional requirements for major customers: Delphi, Bosch, Honeywell, JTEKT, Fuji Koyo, ThyssenKrupp Bilstein, INA, Dacia - Renault, Takata, Emerson, Daikin.

All these requirements have been integrated under a unified quality, environment, occupational health and safety management system.

The implementation of ISO 26000 continued based on "COMPA Social Responsibility Management" Guide.

The updating of system documentation has started, in order to meet the requirements of the new standards ISO 9001, ISO 14001 and IATF 16949:2016.






Management of non-conforming products has been improved and made more effective through the continuous improvement of techniques: FMEA (Failure Mode and Effect Analysis), FTQ (First Time Quality), "5 Why" analysis, Pareto diagram, "Cause and effect" analysis and by improving the visual management at workstations, thus preventing the recurrence of nonconformities.

As a result of proper implementation and functioning of the integrated management system, we have maintained a good level of global quality indicator external PPM to an average of **51 PPM**, by reducing non-conforming products claimed by customers, and also through resolving complaints in real time, which has increased customer satisfaction in relation with COMPA products and services.

Also, there were no field-failures due to first assembly products supplied by COMPA.

The update of the Environmental Authorization SB 13/2005, revised on 16.11.2017 was obtained.

Within COMPA products and processes can result in the following environmental issues:







-  evacuations of wastewater resulting from electroplating processes, dyeing and washing of the pieces;
-  air emissions resulting from heat treatment processes, dyeing, electroplating, welding, cutting operations;
-  generating hazardous and non- hazardous industrial waste;
-  use of hazardous substances and mixtures;
-  use of energetic resources (electricity, gas, etc.).

All these aspects can generate environmental impacts when not kept under control. In order to prevent infringements

relating to environmental protection, COMPA has introduced an environmental management system that allows controlling all environmental aspects mentioned above, while acting preventively in the sense of avoiding generation incidents and environmental accidents.






This is why we had no litigations with local administration and government bodies concerning the impacts on the environment.

In 2017 was carried out 37 environmental objectives, regarding:

-  improving the quality of wastewater discharged into the sewage system;
-  improving air quality;
-  reducing energy consumption;
-  controlled collection, sorting, capitalization and disposal of hazardous waste;
-  environmentally safe management of hazardous substances and mixtures;
-  educating and training employees to operate in an environmentally responsible way;

COMPA made significant expenditures for environmental protection and personnel awareness regarding knowledge and understanding of environmental aspects and preventing significant environmental impacts. Environmental expenditures were 578.167 lei during 2017.

These expenses were considering implementing environmental management programs and alignment with EU regulations and national legislation relating to the environment and consisted of the following programs and actions:

-  monitoring indicators of wastewater into the sewage system;
-  monitoring emissions into the atmosphere;
-  disposal of hazardous and non-hazardous waste;
-  achievement of the capitalization of packaging waste objectives;
-  the payment of environmental taxes and charges for environmental fund, environmental permits, media ads, etc.

There were no environmental incidents and complaints from authorized bodies or neighborhoods in 2017.

1.7 Assesment of Research and Development activity

During 2017 and 2016 respectively in the previous years 2015 spending in research and assimilation of new products registered an upward trend.

The following table presents the evolution of costs incurred:

Table 1.7.1.(thousand)

INDICATOR	2015	2016	2017
1) Expenditure on R & D	8455.4	9048.5	10095.77
2) Turnover	480430.8	638659.6	704042.29
3) % (Row 1 / Row 2)x100	1.76	1.42	1.43

Regarding the introduction of new or improved processes, 2017 was also a year in which important steps were taken , both by allocating significant funds for investment in new equipment and processes , as well as in modernizing and optimizing existing processes.

Cutting, heat treatment, cold and hot plastic deformation and new corrosion protection have been developed in the field of auto and non-auto components.

New processes and materials.

Thermal treatment workshops have developed technological solutions for valves with pre-heating followed by carbonitration.

New materials for valve and nozzle and validated processes for pinions and valves have been tested. To verify the temperature uniformity in the oven, the DATAPAQ system, which is to be purchased, was configured. In the frame of windscreen wipers and windscreen wipers, a total of 62 types of clamps and 23 wiper blades were approved for Bosch Belgium customer.

The production of elastic blades has been developed, using two presses and SDVs specific to this production.

In order to absorb the capacity increases, the following machines were purchased in the JTEKT workshop: grinding machine, teeth grinding machine, swiss type lathe and washing machine.

In the forged parts workshop, the technical documentation was elaborated and technological tests for flange, pipe and pinion, cams, for Honeywell customers, VCST, Presta, so on and so forth.

A number of 11 stamped parts and 58 rolled and welded parts for hydraulic filters were validated in the press studs' workshop.

In order to increase the production capacities, at the workshop, the Ecocoiler F2 - the Wafios maker, was put into operation. About 500 new landmarks have been assimilated here.

In the Daikin air conditioner workshop, three assembled distributors and new assembled heads were assimilated.

A total of 30 (thirty) new subassemblies and new single pieces, tie, pivots, arms, designed for Haulotte, Emerson, and Hutchinson customers were made in the welding workshop. In order to achieve the powder coating of DMG machine tool cabinets, phosphate-washing, treatment and powder painting equipment were purchased. Installations are used to absorb capacity increases at the other landmarks

Two portholes and two welding robots were purchased for the processing of pivots and double arms

In order to adapt to market and customer requirements, validations for ZnNi shield and deflector cover have been performed. Also, in the COMPA, the ZnNi protection for the magnetic casing was validated.

The functional and endurance tests have been completed and the water pump pulley validation for the engines for Renault, Nissan and Daimler has been completed.

In the product design workshop, the following new equipments were made:





- aggregate with 8 mounting posts-3PI -Honeywell - in tests
- welding stand with 2 posts- 3PI - Honeywell - in tests
- checking stand Mx13 adapted for MX11, MY2017- Delphi- tests
- adaptation NHB stand control for VW E6 final-Delphi-in tests
- checking stand I nozzle with robots – design
- marking stand 3PI - Honeywell – design;
- verifiers, devices, etc.

1.8. The evaluation of the society regarding the management of risk

Risk management is an activity that must be performed by each economic agent, permanently to make immediate decisions at which time the potential risks as well as the measures designed to mitigate their effects must be analyzed.

1.8.1. Risks connected with the selling activity

This is an important area of COMPA's business and therefore, from the bidding process, we analyze all the risks that may arise such as:

-  offering and engaging new medium and long-term projects to traditional COMPA customers, strong multinationals with financial strength and global support;
-  submitting competitive offers for partners, in order to guarantee the award of the projects, in particular at the workshops in COMPA where available capacities exist;
-  Improving the quality assurance system as well as the level of quality of the products made to eliminate or mitigate the qualitative refusion of the products sold;
-  Peerformance of the logistics system in COMPA to ensure a reduction in the stock of finished products and eliminate the risks of delayed delivery to customers.

1.8.2. Credit risk

During the year 2017, the level of credit lines committed under the contracts concluded with the two banks (ING Bank and BRD Groupe Societe Generale) were accessed below 50% of the contracted level.

There was a positive situation because of the company's own resources, the depreciation of machinery and equipment included in the price, as well as the net profit obtained were not fully utilized. The surplus of resources was used to repay the credit lines, while also ensuring lower access to credit lines contracted throughout the year.





Under these circumstances, in 2017 there were no risks related to loans contracted with banks.

1.8.3. The insolvability risk

And in 2017 this risk category was not felt in COMPA's business. Steps have been taken at company management level to increase solvency, eliminating any risk related to solvency.

The liquidity of the company was monitored every month, with decision-makers being permanently informed of the evolution of this indicator.

The measures taken for this purpose in COMPA to reduce and even eliminate the risk of insolvency were:

-  ensuring a high degree of profitability despite our customers' demand for annual price reductions due to higher labor productivity;
-  increasing the business level by assimilating new products in the production;
-  analyzing and evaluating partners to whom offers are being sent away by eliminating the situation of entering into business with high-risk companies and offering to prestigious companies, not financially;
-  delivery to new or less known customers, only on the basis of payment instruments insured at delivery (CEC, promissory note) or even prepayment.

1.8.4. The currency risk

During 2017, there were not very volatile moments in the foreign exchange market. COMPA Company has a surplus of currency (Euro) because most of the deliveries are made in the European Union, and credit lines are also committed in foreign currency. There were no foreign exchange risks with a major impact on the financial activity of the firm.

Due to the increase in the Euro / RON ratio in 2017, the effects on COMPA's activity were positive, the financial result was superior to the budget.

1.8.5. The investment risk without coverage

Without an objective in this respect, during 2017, investment levels were lower than in previous years.

Therefore, financial resources to support the development and renewal process of machinery and equipment have not been fully consumed, some of these resources have been used to repay the contracted credit lines for working capital.

In this situation, this risk did not take place.

Knowing the trends of changing the structure of automotive production in the future, by deducting the share of diesel automobiles, investment areas in the future need to be carefully analyzed investment spending as well as the provision of resources must be targeted for those future projects, especially for automotive components petrol, hybrid or electric.

1.8.6. The risk of predictability in the tax law

During the year, there were important changes to the legislation in the tax field, the effect of these legislative changes having a rather strong impact in particular in relation to foreign business partners.

Changes in the field of labor law and labor taxation, the increase of the minimum wage in the economy have a strong impact on the activity of the companies that have the obligation to align the collective agreements concluded with the representatives of the employees, to these provisions.

Growth over the initial wage provision in Romania puts Romanian firms in a very difficult situation in relation to foreign business partners who are not willing to bear these increases beyond the established provisions

To counteract the effects of the increased risk of wage costs without significant impact on COMPA's profitability, both in 2017 and 2018, labor productivity growth was stimulated by motivating staff to produce more in order to obtain a higher salary.

Without such measures, the risks and effects of legislative changes in the labor market cannot be sustained, generating serious and unpredictable problems.

1.8.7. The stealind risk

The theft phenomena of COMPA's patrimony are more and more rare or even eliminated.

Entry and exit control measures on the company's gates, supported by a system and an extensive network of surveillance cameras, have had positive effects in combating the risk of theft.

1.9. Perspective elements in the company's business

a) Presentation and analysis of trends, elements, or events of uncertainty factors which affect or could influence the company's liquidity in comparison with the same period of the previous year

During the year 2017, as compared to the previous year 2016 we can state that there were no events or factors of uncertainty impacting the liquidity of the company.

The low investment expenditure (RON 36.86 million, approximately EUR 8.07 million) compared to the one recorded in previous years did not put pressure on the company's cash flow in 2017 and hence its degree of liquidity. The financing of investments in 2017 was ensured exclusively from the firm's own resources, even a surplus that could be used in 2018, being used temporarily for the repayment of the loan lines contracted with the banks, for the financing of the working capital (financing current asset requirements).

Almost all products made in COMPA are based on firm contracts with traditional partners, most of which are foreign partners. Therefore, there is COMPA in the delivery of the entire production through contracts or nomination letters concluded with business partners (with customers).



Within the company, it is aimed at each profit center distinctly, collecting the due invoices, promptly intervening to the client when there are outstanding payments.

Similarly, they have been decentralized to profit centers and management to permanently track the evolution of stocks of raw materials, materials and semi-finished goods.

These measures ensured the necessary premises for diminishing or even canceling the risk of affecting the liquidity of the company during certain periods









b) Presentation and analysis of the current or predicted capital cost effects concerning the financial situation of the company in comparison with the same period of the previous year

In 2017, the costs of accomplished investments amounting to 36,86 million Lei (8,07 million euro) aimed at fulfilling the following main goals:

-  acquisition of technological equipments, machinery, computing equipments;
-  machinery and building modernization;

In 2017 tangible assets amounting to a total of 44.761.323 lei were upgraded and put into operation.

Economic effects obtained through the acquisition of new machinery and technological lines are:

-  increase in production and turnover;
-  insure certain growth assumptions of the business volume in the upcoming years;
-  improve production technical level by acquiring CNC equipments with a higher accuracy rate;
-  increase productivity through the acquisition of machinery operated by a single person;
-  improve quality and competitiveness of products, as well as reduce non-conformed goods, costs related to quality;
-  reduce energy consumption;
-  safe operation of equipment;
-  reduce maintenance costs for these equipments which are more efficient and reliable.

c) Presentation and analysis of events, transactions, economic changes, which highly affect revenues from the basic activity.

Revenues coming from the core business activity, operating income, respectively the turnover carried out in 2015 compared to 2014 and 2013 are presented below: Table 1.9.c.

EXPLANATION	2015		2016		2017	
	Lei	Share in total %	Lei	Share in total %	Lei	Share in total %
Net Turnover	480.430.751	67,30	638.659.554	89,46	704.042.288	98,62
Sold production	473.454.380	66,32	626.790.825	87,80	698.897.791	97,90
Revenues from sold goods	4.861.998	0,68	11.558.720	1,62	5.140.841	0,72
Revenues from operating subsidies	2.114.373	0,30	310.009	0,04	3.656	0,00
Other operating revenues	2.326.153	0,33	6.953.553	0,97	4.230.483	0,59

EXPLANATION	2015		2016		2017	
	Lei	Share in total %	Lei	Share in total %	Lei	Share in total %
Production of fixed assets	9.024.078	1,84	9.125.456	1,84	5.641.080	1,84
Total operating revenues	491.780.982	100,00	654.738.563	100,00	713.913.851	100,00

2. TANGIBLE ASSETS OF COMPA S.A. SIBIU

2.1. Location and characteristics of the production capacity

COMPA owns a diverse number of tangible assets, materialized in land, buildings, special constructions, cars and other means of transportation, other assets, assets in progress.

Their evolution over the past 3 years can be observed below:

Table 2.1.(Lei)

INDICATOR	2015	2016	2017	%	
				2017 / 2016	2017 / 2015
Land and buildings	138.766.021	153.082.680	162.264.784	106,00	116,93
Technical equipment and machines	152.656.347	184.942.627	184.276.119	97,41	120,71
Other equipment, machinery, furniture	257.991	251.301	200.878	79,94	77,86
Tangible assets in progress	43.462.372	19.674.324	7.166.706	46,43	16,49
TOTAL	335.142.731	357.950.932	353.908.487	98,87	105,6

Tangible assets representing "Current Tangible Assets" are evaluated at historical cost. The Company has chosen model for the valuation of property, plant and constructions the revaluation the fair value revaluation model.

In the hierarchy of fair value, the revaluation of the Company's buildings and land at fair value is classified as level 2 date.

The evaluation techniques used in the fair value measurement at level 2 are the price comparison method. Comparable prices for nearby buildings and buildings are adjusted according to specific features such as property size, etc. The most important input data for this valuation method is the price per square meter. There were no transfers between the level at which the fair value measurements are classified during the year 2017.

The depreciation of all tangible assets is determined by the straight-line method. Fixed assets declined in 2017 by scrapping, selling and depreciation.

The inventory value of the fixed assets canceled in 2017 was 4,019,300 lei and the unamortized value of the disposed fixed assets was 21,477 lei.

As of 31.12.2017, the mortgage tangible assets for the contracted loans have a net book value of 40,258,529 lei and the guarantees consisting of technological equipment have a net book value of 12,965,691 lei.

2.2. Degree of wear of the company's property

Degree of wear of COMPA's tangible assets is as showed below:

Table.2.2.(Lei)

INDICATOR	YEAR		
	2015	2016	2017
Construction			
Inventory Value	62,632,500	72,076,116	85,931,698
Remaining Value	62,632,500	68,333,676	77,213,618
Wear	0	3,742,440	8,718,080
Degree of Wear	0.00	5.19	10.15
Equipment and vehicles			
Inventory Value	387,795,262	452,052,635	478,889,971
Remaining Value	152,656,347	189,181,334	184,276,119
Wear	235,138,915	262,871,301	294,613,852
Degree of Wear	60.63	58.15	61.52
Other tangible assets			
Inventory Value	1,158,128	1,216,618	1,193,733
Remaining Value	257,991	251,301	200,878
Wear	900,137	965,317	992,855
Degree of Wear	77.72	79.34	83.17

2.3. Specifying potential issues related to ownership of tangible assets

COMPA owns 323407 sq of tabulated land with no recorded problems related to the ownership of tangible assets, lands, buildings, or plant installations.

3. MARKET OF SECURITIES ISSUED BY COMPA SA

3.1. Markets in Romania and abroad where the securities issued by the company are negotiated

Company COMPA is listed at Bucharest Stock Exchange, Standard category, with symbol CMP.

At 31.12.2017 that company had 6599 shareholders, individuals and legal entities, Romanian and foreign.

The shareholding structure is as follows.

Source of information: Depozitarul Central S.A.Bucharest

SHAREHOLDER	NUMBER OF SHARES	PERCENT
LEGAL ENTITIES, from which:		
- COMPA S.A. Sibiu Employees Association	119.474.505	54,60%
- Romanian	23.319.360	10,66%
- foreign	398.151	0,18%
INDIVIDUALS, from which:		
- Romanian	51.962.782	23,75%
- foreign	23.666.240	10,82%
TOTAL	218.821.038	100,00%

3.2. Description of the company's policy regarding dividends.Specification of dividends due/ paid/ accrued during the past 3 year, and as the case may be, the reasons for a possible reduction of dividends during the past 3 years

The policy of COMPA company not to allocate profit for the payment of dividends was adopted since 2004, the entire profit is assigned to own development sources. It adopted this policy knowing the company's exposure to banks and leasing companies to provide the necessary resources to new investments on the one hand, and on the other hand not to increase the indebtedness of the company.

3.3. Description of any activities of the company to purchase own shares.

During 2015, company COMPA S.A. Sibiu didn't redeem any of its shares.

3.4. If the company has subsidiaries, specifying the number and the nominal value of the shares issued by the parent company held by subsidiaries

The company RECASERV SRL, affiliated company of COMPA holds in the registry of COMPA's shareholders a number of 649.100 shares, 0,2966% of the share capital of company COMPA .








The other affiliated companies of COMPA SA do not hold any shares, therefore they are not included in the list of COMPA's shareholders.




3.5. If the company has issued bonds and / or other debt instruments, - showing the way the company pays its obligations to the holders of such securities

The company COMPA has not adopted until now the financing solution through bond issues. The only ways of financing used in previous years were capital increases and loan commitments, nevertheless since 2014 none of these two financing solutions were used and used instead only own financing sources.






4. COMPA'S MANAGEMENT

COMPA's company management has continuously developed modern management methods as tools used in the current activity :






-  change management, face interaction with the external environment that is very turbulent and creates the ability to anticipate and respond quickly to market trends through effective management of ideas, knowledge, skills and processes. Increasing the involvement of staff and effective management responsibilities facilitate efficient decision making and resulting changes ;
-  management based on objectives for encouraging and mobilizing the full potential of intellectual and practical employees at all levels to achieve maximum performance of the organization;
-  quality and environmental management in order to ensure that the requirements of quality demanded and expected by our customers , so as to achieve a partnership relationship that will lead to their full satisfaction in relation to production and our services ;
-  Occupational health and safety management , which aims to improve working conditions for workers by eliminating risks related activities , reducing and controlling those risks that cannot be removed by adopting technical and organizational measures to prevent ;
-  strategic management implemented by Balance Score Card tool, to establish the link between the environment opportunities and the company possibilities and firm management actions to fulfill strategic goals ;
-  project management to master efficient processes and achieving the goals ; combines a unique project with management by objectives ;
-  skills management, to permanently align skills to the strategic objectives of the organization;

-  cost management, for planning and monitoring the costs permanently in order to be able to reduce them
-  Kaizen management, continuous improvement.
-  performance management to a strategic and integrated approach to ensure long-term success in the organization activity by knowledge and performance management of people working in the organization, in the context of a framework which sets the general objectives, standards and criteria of competence.

In COMPA's strategic plan the following strategic axes have been defined:






-  financial axis
-  customer axis
-  processes axis
-  personal axis
-  Environmental - Occupational Health and Safety axis

The general objectives that support the strategic axes are:








-  increasing company profitability,
-  increase customer value
-  reaching operational excellence
-  increasing staff performance .
-  increasing environmental performance and occupational health and safety .




The results of efforts in recent years have resulted in the development of projects started , which marked significant changes in the organizational structure , operations , professional competencies , allocation of resources , etc.

The business orientation continued with a new configuration characteristic to global automotive industry by:

-  high - volume series ;
-  high added value
-  flexible processes
-  innovation technologies
-  quality requirements to the highest standards ;

Thus, COMPA's efforts are directed towards:

-  focusing of resources on a limited number of projects developed by the company COMPA or in partnership with leading companies ;
-  investment programs in performant equipment;
-  substituting products that have completed their life cycle , with new products (brand COMPA) ;
-  increased integration processes , particularly with primary processes (forging)
-  Higher operational efficiencies ;
-  interventions for changing the organizational culture
-  achieving excellence in purchasing ; searching for new strategic suppliers to develop major projects

-  development of the maintenance management system by approaching the TPM concept ;
-  COMPA's Business System implementation (Agile concept) ;
-  Development of performance management; efficient communication.

4.1. ***The list of the managers of the society and the following information for each manager***

a. ***CV (name, surname, age, qualifications, professional experience, function and years of service in the function)***

NAME AND SURNAME	Age	Qualification	Professional experience	Function	Years of service in the function
DEAC Ioan	68	Engineer	43	Chairman & CEO	28 year
MICLEA Ioan	76	Economist	43	Member & CFO	28 year
MAXIM Mircea-Florin	59	Engineer	35	Non-executive Member	13 year
BALTEȘ Nicolae	58	Economist	35	Chairman Audit Committee	1year
VELȚAN Ilie-Marius	43	Economist	19	Audit Committee member	5 year

b. ***Understanding or family relation***

There are not such cases within the members of the Administration Council of COMPA society

c. ***Transaction between the manager and society***

Also, there is not any kind of transactions between the society and any member of the CA of COMPA society

d. ***The participation of the managers at the social capital.***

The managers took part in the taking over of the majority controlling interests from F.P.S. as members of the Employees Association COMPA.

e. ***The list of the juridical persons affiliated to the society***

COMPA - IT S.R.L.
RECASERV S.R.L.
TRANS CAS S.R.L.

4.2. ***The presentation of the list with the members of the executive management***

a. ***Executive management:***

NAME AND SURNAME	FUNCTION
Deac Ioan	Chairman & CEO
Miclea Ioan	Board member / CFO
Firiza Ioan	Management Director
Băiașu Dan-Nicolae	Commercial Director

NAME AND SURNAME	FUNCTION
Bucur Ioan-Tiberiu	Sales Director
Acu Florin-Ştefan	Technical Director
Muntenaş Bogdan-Vasile	Logistics Director
Ţuicu Liviu-Laurenţiu	Quality – Environment Director
Suciu Ioan-Octavian	Quality and Environment Management Systems Director
Ţuţurea Mihai	Production Director
Rotaru Petru-Liviu	Production Director
Morariu Mircea	Production Director
Herban Dorin-Adrian	Industrial Engineering Director
Opriţoiu Dumitru	Chief Engineer - Energy Base
Dragomir Marius C-tin	Chief Engineer - Maintenance

a. the period the person takes part in the executive management

The members of the management on functions have individual working contracts on unlimited period of time; their designation and respectfully cancellation is made by the Council of Administration.

b. any kind of agreement ,convention or family relationship between the respective person and another person due to whom the respective person was appointed as member in the executive management

There is no such family relationship between the present members of the Council of Administration and other important persons who can influence the election of the former in the Council of Administration.

d. The participation of the respective person at the social capital of the society

A part of the members of the Council of Administration and respectfully the members of the executive management of the society possess shares from the social capital of the COMPA firm, both by the shares they have as direct shareholders of the direct firm COMPA as well as indirectly through the portion they have in the Employers Association COMPA, the main shareholder of the firm COMPA.

5. FINANCIAL SITUATION- ACCOUNTING

a). Balance sheet items: assets representing at least 10% from total assets; cash and other liquid availabilities; reinvested profit; total current assets; total current liabilities

Annual accounts of the company COMPA are presented in detail in the notes to the financial statements which are submitted for review and approval. Synthetically presented in the table below are the main elements of assets and liabilities for 2017:

Table 5.a.

NAME OF INDICATOR	2015	2016	2017		% 2017 / 2017 REB	% 2017/ 2016	% 2017/ 2015
			REB	Carried out			
A.TOTAL CURRENT ASSETS, of which:	344,818,525	364,333,991	376,708,147	359,729,011	95.49	98.74	104.32
Intangible assets	4,249,508	3,702,191	3,900,000	3,139,442	80.50	84.80	73.88
Tangible assets from which:	296,837,486	316,711,090	328,887,437	312,366,482	94.98	98.63	105.23
Land and buildings	106,141,661	111,842,837	111,842,837	120,722,779	107.94	107.94	113.74
Technical plants and	152,656,347	184,942,627	193,800,000	184,276,119	95.09	99.64	120.71

NAME OF INDICATOR	2015	2016	2017		% 2017 / 2017 REB	% 2017/ 2016	% 2017/ 2015
			REB	Carried out			
machines							
Other plant, tools and furniture	257,991	251,301	244,600	200,878	82.13	79.94	77.86
Tangible assets in progress	37,781,487	19,674,325	23,000,000	7,166,706	31.16	36.43	18.97
Real estate investment	38,305,245	41,239,842	41,239,842	41,542,005	100.73	100.73	108.45
Financial assets	2,584,578	1,769,430	1,876,784	1,768,450	94.23	99.94	68.42
Other financial assets	107,354	107,354	0	116,684		108.69	108.69
Deferred income tax	2,734,354	804,084	804,084	795,948	98.99	98.99	29.11
B. TOTAL CURRENT ASSETS, of which:	219,852,409	202,671,111	210,231,088	237,160,154	112.81	117.02	107.87
Stocks	91,951,077	91,649,476	96,000,000	104,322,177	108.67	113.83	113.45
Receivables, from which	112,737,493	109,992,087	113,000,000	131,673,619	116.53	119.71	116.80
Trade or other receivables	103,061,551	102,977,846	112,000,000	129,870,106	115.96	126.11	126.01
Other receivables	2,874,255	6,991,603	1,000,000	1,803,513	180.35	25.80	62.75
Receivables from European projects	6,801,687	22,638	0	0		0.00	0.00
Advance expenses	420,178	423,937	400,000	550,379	137.59	129.83	130.99
Cash and bank accounts	14,743,661	605,611	831,088	613,979	73.88	101.38	4.16
C. DEBT LESS THAN 1 YEAR, total , of which:	122,611,137	123,286,012	124,533,494	126,108,152	101.26	102.29	102.85
Commercial liabilities and similar	106,113,839	109,161,283	111,000,000	109,584,978	98.73	100.39	103.27
Current income tax liabilities	6,559	165,379	0	163,092		98.62	2,486.54
Other liabilities	11,067,660	9,240,256	9,800,000	9,928,970	101.32	107.45	89.71
Deferred income and grants for investments less than one year	5,423,079	3,733,494	3,733,494	3,690,462	98.85	98.85	68.05
Provisions under 1 year	0	985,600	0	2,740,650		278.07	0.00
D. DEBTS OVER A YEAR TOTAL, of which:	125,456,251	77,558,265	79,758,000	66,265,913	83.08	85.44	52.82
Financial liabilities	90,552,975	46,733,495	53,000,000	39,244,259	74.05	83.97	43.34
Deferred income and grants for investments over one year	34,767,631	30,689,125	26,758,000	26,886,009	100.48	87.61	77.33
Provisions over a year	135,645	135,645	0	135,645		100.00	100.00
E. CAPITAL AND RESERVES	316,603,546	366,160,825	382,647,741	404,515,100	105.71	110.47	127.77
Share capital	21,882,104	21,882,104	21,882,104	21,882,104	100.00	100.00	100.00
Adjustment of share capital	82,151,679	82,062,778	82,062,778	82,062,778	100.00	100.00	99.89
Other reserves	125,281,903	153,826,098	191,326,098	191,361,655	100.02	124.40	152.74
Adjustments of other reserves	23,122,057	23,122,057	23,122,057	23,122,057	100.00	100.00	100.00
Retained earnings	65,387,073	64,254,704	64,254,704	65,475,974	101.90	101.90	100.14
Profit/ loss of the period	27,133,356	51,627,557	37,500,000	38,098,354	101.60	73.79	140.41
Profit repatriation	28,354,626	30,614,473	37,500,000	17,487,822	46.63	57.12	61.68

In the table above (Table 5.a), the synthetic evolution of the company's patrimony is presented starting with 2015 and by the year 2017 are also presented the provisions entered and approved by the Budget of Incomes and Expenditures.

Fixed Assets

The fixed assets both in total and in the structure had a foreseeable evolution in 2017, with no significant changes to be noted.

The balance at the end of 2017 was influenced, on the one hand, by asset inflows through investments and outflows through depreciation, depreciation.

We can highlight the sharp decrease in the balance of "current tangible assets" due to the commissioning of modernization in existing buildings as well as of machines and equipment acquired through investments.

Current assets

Current assets had an increase (12.81%) in 2017, similar to the increase in turnover in 2017 compared to the previous year 2016.

A higher increase was recorded in the "receivables" which increased by 19.71% at the end of 2017 compared to the same period of the previous year as 31.12.2016), the impact of the increase being due to the increase in trade receivables, the increase in the turnover of the business. The increase in the balance of trade receivables at the end of 2017 was mainly influenced by the changes in the structure of production produced and delivered by COMPA to its customers, respectively by the increase in the share of output delivered to the Honeywell customer, whose payment period agreed with the other customers.

There have also been some temporary syncopes at payments at the end of 2017 on behalf of some customers who have affected the balance of the crenades, but which were subsequently adjusted.

Debts of less than one year

The level of debts of less than one year as a whole and of commercial and similar debts are slightly increasing at the end of 2017 compared to the previous year, although the level of turnover increased by more than 10%, thus ensuring the payment on maturity of all suppliers

Debts older than one year

Debts longer than one year are generally debts to banks, respectively lines of credit for working capital. These debts decreased as of 31.12.2017 compared to 2016 by about 15%, the level of credit lines being lower than in previous years.

Capital and reserves

The value of COMPA's equity increased by approximately 10% as a result of the distribution of net profit to the firm's own development fund.

- b. Profit and loss account: net sales; gross revenues; elements of costs and expenses accounting for at least 20% in net sales or gross income; risk provisions for various expenses; reference to any sale or shutdown of a segment of activity done in the last year or that are to be made in the next year; dividends declared and paid**

Income and expense statement for the period between 2015 and 2017 is the following :

Table 5.b

DENUMIRE INDICATOR	2015	2016	2017		% 2017 / 2017 REB	% 2017/ 2016	% 2017/ 2015
			REB	Carried out			

DENUMIRE INDICATOR	2015	2016	2017		% 2017 / 2017 REB	% 2017/ 2016	% 2017/ 2015
			REB	Carried out			
Turnover	480,430,751	638,659,554	673,000,000	704,042,288	104.61	110.24	146.54
From which export	341,223,964	483,247,663	513,700,000	554,364,183	107.92	114.72	162.46
% in turnover	71.02	75.67	76.33	78.74			
Other operating revenues	11,350,231	16,079,009	15,400,000	9,871,563	64.10	61.39	86.97
Total operating revenues	491,780,982	654,738,563	688,400,000	713,913,851	103.71	109.04	145.17
Material costs	273,101,993	389,441,696	409,300,000	432,150,682	105.58	110.97	158.24
% in total income	54.15	57.43	58.66	59.69			
Costs with energy	22,136,476	25,048,711	27,500,000	22,988,640	83.60	91.78	103.85
% in total income	4.39	3.69	3.94	3.18			
Costs with salaries	101,916,324	115,823,029	123,700,000	129,696,667	104.85	111.98	127.26
% in total income	20.21	17.08	17.73	17.91			
Amortization and depreciation of tangible assets	25,285,353	36,851,046	41,200,000	41,442,564	100.59	112.46	163.90
% in total income	5.01	5.43	5.90	5.72			
Other operating expenses	35,184,426	44,612,839	45,900,000	44,463,775	96.87	99.67	126.37
% in total income	6.98	6.58	6.58	6.14			
Total operating income	457,624,572	611,777,321	647,600,000	670,742,328	103.57	109.64	146.57
Operating result	34,156,410	42,961,242	40,800,000	43,171,523	105.81	100.49	126.39
Expenses with interest	791,592	683,219	800,000	518,478	64.81	75.89	65.50
% in total income	0.16	0.10	0.11	0.07			
Other financial expenses	16,372,691	12,184,004	9,400,000	10,070,005	107.13	82.65	61.50
% in total income	3.25	1.80	1.35	1.39			
Total financial expenses	17,164,283	12,867,223	10,200,000	10,588,483	103.81	82.29	61.69
Interest income	1,904.00	40,010.00	0	408.00		1.02	21.43
Other financial income	12,559,715	23,288,166	9,400,000	10,059,366	107.01	43.20	80.09
Total financial income	12,561,619	23,328,176	9,400,000	10,059,774	107.02	43.12	80.08
Financial result	-4,602,664	10,460,953	-800,000	-528,709	66.09	-5.05	11.49
Total income	504,342,601	678,066,739	697,800,000	723,973,625	103.75	106.77	143.55
Total expenses	474,788,855	624,644,544	657,800,000	681,330,811	103.58	109.07	143.50
Gross result	29,553,746	53,422,195	40,000,000	42,642,814	106.61	79.82	144.29
% in total income	6.01	8.16	5.81	5.97			
Current income tax	1,273,504	1,934,646	2,500,000	4,280,404	171.22	221.25	336.11
Current income tax ratio	4.31	3.62	6.25	10.04			
Deferred income tax	1,146,888	-140,008	0	264,056		-188.60	23.02
Net result	27,133,354	51,627,557	37,500,000	38,098,354	101.60	73.79	140.41

Analyzing the indicators included in the "profit and loss account for 2017" (Table 5.b), the following aspects can be highlighted:



Increase in turnover by 10.24% in 2017 as compared to 2016, being influenced by increased production of manufactured goods, sold to the partners of the company.



Gross profit registered a decrease by 10.78 million lei at the end of 2017. This decrease was due to the fact that in 2016 the gain of more than 12 million lei was obtained by selling the share in the share capital owned

by COMPA at the joint-stock company ThyssenKrupp Bilstein Compa SA Sibiu. The shares were traded in 2016 with the main shareholder ThyssenKrupp Bilstein Germany. The gross profit from the economic activity of COMPA in 2017 was higher than that achieved in 2016.



The lower net profit in 2017 as compared to 2016 was influenced outside the 2016 transaction by the sale of the shares in ThyssenKrupp Bilstein Compa SA Sibiu and a smaller facility to reinvest the tax on reinvested earnings in 2017 compared to year 2016, the year when commissioning of tax-exempt machines and equipment was higher than in 2017.

c) cash flow: all changes in the level of cash in the core business, investment and financial activity, the level of cash at the beginning and end of the period.

Table 5.c.

INDICATOR	2015	2016	2017
Profit before tax	29,553,748	53,422,195	42,642,814
Adjustments for non-cash items	73,220,150	23,058,209	39,890,335
Changing in inventories	-31,977,874	301,601	-12,672,701
Variation of receivables	-32,761,090	2,741,647	-21,807,974
Variation of financial obligations	44,078,230	1,378,860	1,110,122
Profit tax payment	-1,273,504	-1,934,646	-4,280,404
Interest income	1,905	40,010	408
Purchase of tangible and intangible assets and advance payments for assets	-108,583,426	-59,754,999	-36,858,849
Profit loss from sale of tangible and intangible assets	32,407	7,612	2,970
Profit / from sale of financial assets	0	12,012,660	-980
Variation in loan and borrowings	46,247,822	-43,819,480	-7,489,236
Interest payments	-791,591	-683,219	-518,478
Profit/ loss from exchange rate differences	-3,812,977	-908,500	-9,659
Cash availability at beginning of period	809,861	14,743,661	605,611
Cash availability at the end of period	14,743,661	605,611	613,979
Net cash flow	13,933,800	-14,138,050	8,368

By analyzing the cash flow, we can highlight the following:

- the main positive cash flow generating items were:
 - profit before tax;
 - adjustments for non-monetary items
- the elements with negative impact on cash flow were:
 - acquisitions of tangible and intangible assets
 - the change in claims
 - stock change
- at the end of 2017 the cash flow was positive.

6. COMPLIANCE WITH CORPORATE GOVERNANCE BSE CODE

Starting with 2010, COMPA is in line with the demands BSE Code, when the first Corporate Governance Regulation was elaborated, regulation which transposed the principals and recommendations of the Bucharest Stock Exchange Code.

According to the new BSE Code" companies will include a corporate governance statement in the annual report in a separate section, which will include a self-assessment of how they fulfill " the requirements which must be respected "and measures adopted to observe the provisions which are not met fully".

COMPA aligned to the new demands by adopting a new form of the *Declaration concerning the conformity with the Code* and has sent, in this way, a current report regarding compliance, on 20.01.2016. The Declaration is presented in Annex 1.

6.1. The Board of Directors

According to the Constitutive Act , company COMPA is administrated under a unitary system; the administration of the company lies within a Board of Directors (CA) made up of 5(five) administrators/managers, chosen by cumulative vote by the Shareholders Ordinary General Assembly on 24.04.2017. The duration of mandate of the members of the Board of Directors is four years.

Out of the 5 managers, 3 are non-executive managers. The structure of the Board is presented in paragraph 4.1

The main competences of the Board of Directors are those of defining the strategy of the society, of the management policy, rational and efficient valorization of the resources, establishing and following the objectives of the company's managers. COMPA has an audit committee made up of 2 nonexecutive administrators: Mr. Balteş Nicolae chairs the audit committee and Mr. Ilie-Marius Velţan – audit committee member.

The Board of Directors meets at least once every 3 months, or as often as it is necessary, and the decisions in the meetings are taken with simple majority.

6.2. Executive management

According to the Regulation of Corporative Governance of company COMPA S.A. Sibiu, whose financial situations represent the object of the financial audit/control, the executive management of the company is delegated to the managers of the society, appointed by the Board of Directors, who are responsible for all the measures taken related to their field of activity, in compliance with the granted competences.

The managers periodically inform the Board of Directors about the operations carried out for accomplishing the set objectives of not exceeding the given resources and with regard to the fulfillment of the given tasks. The executive management team and the their positions are presented in paragraph 4.2

6.3. The way the general meetings of the shareholders (GMS) take place, their competences, the shareholders' rights and how these can be exercised:

GMS is the management body, which decides on the activity and sets the economic and commercial policy.

General meetings of the shareholders (ordinary and extraordinary) are taking place according to the convenings sent to BSE and to the Authority for Financial Control.

The organization of the general meetings of the shareholders, their competences as well as the rights of the shareholders are carried out in accordance with the present legislation that is the Incorporation Article no.31/1990, republished, law which establishes the rules of organization and functioning of the commercial companies as well as the way of organization and functioning of different management bodies -The General Assembly of the Shareholders, The Board of Directors, The Regulations CNVMnr.1/2000 and the Regulations CNVM no.6/2009 which come to complete.

6.4. Shareholders' rights

6.4.1. The right to participate and vote in the General Meeting of the Shareholders

Shareholders registered in the Register of the Company's Shareholders on the reference date may attend in person or may be represented at the GMS by their legal representatives or other persons granted a power of attorney, based on a special or general proxy provided by the company for each meeting.

The access of shareholders at the General Meeting is made with minimum 15 minutes before the beginning of the meeting, providing a simple proof of their identity, for individual shareholders- their identity card, and for the shareholders legal entities and empowered individuals- *the special/ general power of attorney* given to the individual who is representing them. If after 30 minutes after the hour at which the meeting was summoned it is observed that the quorum is not accomplished, the meeting is suspended and will take place at a second convening.

The right to vote can be exercised directly, by a representative or by correspondence. Each share entitles to one vote in the General Meeting of the Shareholders.

The shareholders can take part personally or can be represented at the meeting by their legal representatives or by other persons who were given the mandate for representation, on the basis of printed form of *Special/ general power of attorney* provided by the society on legal terms. The printed forms of Special/ general power of attorney in Romanian or English are available at the company's headquarters or can be downloaded from the company's website starting with the announced summon date.

An original copy of the Special/general power of attorney filled in and signed, together with a copy of the identity card of the shareholder (BI/ CI/passport/identification card for stay, for individual shareholders and certificate of registration for legal entities) will be laid down personally or send to the company's headquarters until the announced date.

6.4.2. The right to introduce new points on the agenda

One or several shareholders holding individually or collectively, at least 5% of the Company's share capital, have the right, under the law, to introduce new items on the agenda provided that each such item is accompanied by a justification or a draft resolution proposed for approval at the general meeting and to make draft resolutions for items , as well as to make new resolution for the items included or to be included on the agenda of the General Assembly which will be send to the company in written form until a date mentioned for each meeting. They also have the right to present resolution projects for the points already on the agenda or proposed to be included on the agenda, this right may be exercised in writing.

The proposals regarding the introduction of new point on the agenda of the day should be accompanied by the copies of the identity cards of the respective shareholders (identity card for individuals, registration certificate for legal entities) being necessary that each such item is accompanied by a justification or a draft resolution proposed for approval at the general meeting.

6.4.3. Presentation of resolution proposals

One or several shareholders holding individually or collectively, at least 5% of the Company's share capital, have the right, under the law, to introduce resolution projects for the points included or proposed to be included in the agenda of the GMS, accompanied by identity cards of the shareholders (BI/ ID card for the individuals, respectively registration certificate for legal entities), can be sent per post or by e-mail, until the date announced in the summon.

6.4.4. The right to ask questions

Any shareholder of the company, regardless of participation in the share capital is entitled to ask questions in written form (via e-mail or post office) related to items on the agenda, accompanied by a copy of a valid ID card (ID card/ passport/ identification card for stay, for individual shareholders and certificate of registration for the legal entities) so that they are registered by the company until the date announced in the convening notice. The company will elaborate a general answer for questions with the same content.

The answers will be available on the company's website www.compa.ro at section "Relations for investors" "General Meeting of the Shareholders" beginning with the date announced, in the format "Question/Answer" and/or during the meeting.

The right to ask questions and the obligation of the society to answer will be subject to confidentiality and interests of the company.

6.4.5. Voting by mail

The shareholders registered at the reference date in the Register of the shareholders are entitled to vote by mail, before the meeting, by using the printed form *Voting by mail*.

In this case *the Voting by mail* form filled in and signed, with legal signature by a public notary and the copy of the valid identity card of the shareholder (ID card for the individuals, respectively registration certificate for the legal entities) will be send via mail or e-mail, until the date announced for each meeting.

Voting by mail forms which are not received until the mentioned date in convening notice will not be counted towards the quorum and the vote in the E.G.M.

On the meeting day, when entering the meeting hall the designated representative will hand the original of *Special/general power of attorney / the Voting by mail* in case that these were sent by e-mail with electronic signature incorporated and a copy of the identity cards of the designated representative (BI / ID card).

The shareholders have the obligation to respect the procedure established by the Board of Directors regarding the voting – according to the chosen modality-otherwise their vote may be cancelled.

In order that all shareholders may have access to information, this are posted on the company's website www.compa.ro at the section **Relations for investors-General Meeting of the Shareholders**.

6.5. Other elements of Corporate Governance

6.5.1. Transparency and Reporting

In order to meet the obligations of transparency and reporting established by applicable legislation in force, COMPA made in 2017 the following statements, send them to BSE and ASF(CNVM), according to the financial calendar and published them on the company's website www.compa.ro.



Financial communication calendar for 2017;



Current report on transactions of the type listed in art.82 of Law no.24 / 2017 at 31.12.2015;



Preliminary financial statements for 2017



Convening notice of General Meeting (Ordinary and Extraordinary) of Shareholders dated 24.04.2017;



Decisions of the General Meeting (Ordinary and Extraordinary) of the Shareholders dated 24.04.2017;



Annual report for 2016 unbound statements



Financial-economic unbound statements at 31.12.2016



Financial-economic bound statements at 31.12.2016



Income and expenditure budget for the year 2017;



The quarterly report (I st quarter - 2017);



Half-yearly report (I st semester - 2017);



The quarterly report (III rd quarter - 2017);



Current report at 30.06.2017 on transactions of the type listed in art 82 of Law no 24/ 2017;










Releases on the availability of reports submitted

6.6. The risk management








Detailed information on the system of risk management is presented in paragraph 1.1.8 “The evaluation of the company’s activity with regard to the risk management”

6.7. Social responsibility

The efforts of the company COMPA S.A are directed towards reaching a high level of social cohesion, environment protection and fundamental human rights aiming to have a positive impact on community.

-  Assuming responsibility for the impact on the society, economy and the environment
-  Transparency of the taken decisions and of all other activities that may impact the society and the environment
-  Promoting an ethical behavior and respecting the following values: honesty, equity and integrity
-  Respect for all parties interested in our activities and decisions
-  Assuring conformance to applicable laws and regulations
-  Respecting international norms in business behavior
-  Respecting and promoting human rights, which we consider inalienable

The focus is on the following action plan:

-  Assuring an organisational management as a way to conduct all activities in an ethical and responsible manner
-  Respecting and promoting the human rights in all aspects: civil, political, economical, social and cultural
-  Applying working methods that ensure proper conditions and social protections in conformance with applicable laws and standards
-  Environmental protection and promoting responsibility towards the environment by encouraging the development of ecological technologies;
-  Applying equitable practices as a code of conduct in relation with companies and/or people, by respecting national and international regulations
-  responsibility towards clients and consumers in order to ensure their safety when using our companies products and services, as well as offering proper documentation.
-  involvement in the community development as members of the community and respecting its rights, traditions, history and cultural values in partnership with it

CEO,
Ioan DEAC

CFO,
Ioan MICLEA

APPENDIX

To the ANNUAL REPORT 2017

Article of incorporation, if this has been amended during the reporting year.

NA.

Major contracts concluded by the company during the reporting year:

Contracts are presented in: **Current report on 31.12.2017** regarding the transactions of the type listed in art.82(1) of law no.24/2017

Documents of resignation / dismissal, if there were such situations among administration members and executive management.

There were no situations of resignation /dismissal within the members of the Board of Directors or executive management.

The list of the companies controlled by COMPA

TRANSCAS S.R.L. SIBIU

COMPA - IT S.R.L. SIBIU

RECASERV S.R.L. SIBIU

The declaration of compliance with the Code BSE -