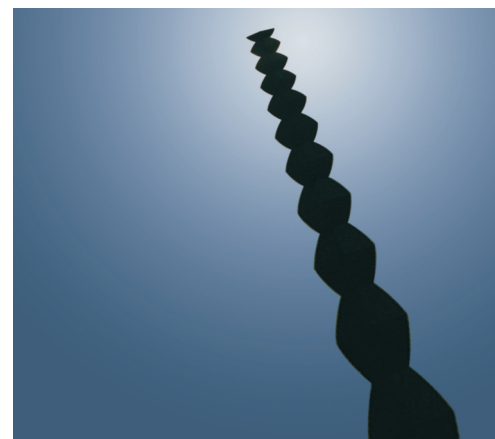


INVESTING IN ROMANIA



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LEGAL BACKGROUND

The frame regulation regarding currency operations and the principles for carrying out operations on the currency market is represented by the Regulation no. 4/2005 regarding currency regime ("Currency Regulation") issued by the National Bank of Romania ("NBR"), which was republished in September 2007, as well as the norms for the implementing thereof, namely NBR Norm no. 3/2005 on the functioning of the interbank currency market, as amended by the NBR Norm no. 10/2007, as well as NBR Norm no. 4/2005 on the performance of currency exchange operations, in its turn amended by NBR Norm no. 13/2007 and NBR Norm no. 8/2009.

ESTABLISHMENT
OF CURRENCY REGIME

Pursuant to its Statute, the National Bank of Romania sets and oversees the application of the currency regime on the territory of Romania.

CURRENCY OPERATIONS

According to the provisions of the Currency Regulation, currency operations include the following: collections, payments, compensations, transfers, crediting, as well as any transactions expressed in currencies, which may be performed by wire transfer, in cash, with payment instruments or by any other payment methods employed by credit institutions in

accordance with the nature of the respective operation.

Types of Currency Operations

The Currency Regulation distinguishes between two fundamental types of currency operations: (i) currency operations between residents and non-residents and (ii) currency operations between residents.

Currency operations between residents and non-residents

Operations between residents and non-residents are sub-classified into current and capital operations.

Current currency operations arise from, without being limited to, the following:

(a) International trade transactions with goods and services and other similar transactions involving an immediate consideration, including the operations performed in order to cover the risks resulting from international trade transactions (i.e.: the price risk or the currency risk etc.);

(b) Other operations having a different nature than the capital currency operations, such as: payments/collections related to taxes and fees (except for succession taxes), commissions, fees, fines, payments related to court expenses, technical assistance, payments of amounts arising from social insurance rights, including pensions, within the framework of a public or a private system, gains obtained from gambling, premiums and compensations arising from insurance/reinsurance contracts (save for the life and credits insurances), operational leasing, expenses with the maintenance of the properties owned by foreign countries, governmental expenses, expenses of representation, subscriptions to publications, participation in organizations,

clubs;

(c) Repatriation of net revenues in the form of interests, dividends, rents etc., deriving from current and capital currency operations;

(d) Deliveries of cash amounts representing current expenses for the support of family members on the basis of legal obligations;

(e) Expenses that are not of the nature of capital currency operations, made by residents traveling abroad for educational or religious purposes, for leisure, vacation, sports, business purposes, visits to relatives or friends, missions, meetings, conferences, healthcare etc.

Capital currency operations arise from the following:

(a) Direct investments;

(b) Real estate investments;

(c) Operations with financial instruments currently traded on the capital market;

(d) Operations with financial instruments currently traded on the money market;

(e) Operations with units of the collective investment undertakings;

(f) Credits of international trading with the participation of residents (including the factoring operations);

(g) Loans and financial credits (including mortgage loans, consumer loans and financial leasing operations);

(h) Guarantees;

(i) Operations in current accounts;

(j) Operations in deposit accounts;(k)

Transfers related to the performance of life and credit insurance contracts;

(l) Personal capital transfers (i.e. Loans, gifts and endowments, inheritances and legacies);

(m) Physical asset import and export;

(n) Other capital changes (i.e. inheritance duties and fees, refunds in the case of cancellation of contracts, author's royalties).

Both current currency operations and capital currency operations may be carried out freely, without restrictions. For statistical purposes, capital transactions causing external obligations arising out of commitments longer than one year, other than those of the nature of external public debt, shall be registered with the National Bank of Romania in "Romania's Register of External Private Debt".



INVESTING IN ROMANIA



CURRENCY REGIME

Currency operations between residents

Payments, receipts, transfers and any other such operations between residents, trading goods and services, must be conducted solely in the national currency (RON), except for the operations set forth by law that can be conducted in foreign currency as well. Operations that are not part of the goods and services trade can be freely conducted either in national currency (RON) or in foreign currency (however, in this last case, only based upon the parties' mutual agreement).

In Romania, residents and non-residents may obtain, hold and use any types of financial assets expressed in foreign currency and in the national currency (RON). They may also open foreign currency and national currency accounts with credit institutions and other institutions similar in nature.

Non-residents may repatriate, as well as transfer, locally and/or abroad, the financial assets held in Romania.

EXCHANGE MARKET

The exchange market is defined by the Currency Regulation as the market on which exchange operations are carried out and

comprises the following segments: (i) interbanking currency market; (ii) exchange office currency market, and (iii) currency market of the entities which are granted special legal provisions.

SAFEGUARD MEASURES

Where short-term capital flows of exceptional magnitude impose severe strains on exchange market and lead to serious disturbances in the conduct of monetary and exchange rate policies, being reflected in particular in substantial variations in domestic liquidity and severe imbalances of the balance of payments, the National Bank of Romania may take safeguard measures concerning certain capital transactions (i.e. operations with securities normally dealt in on the money market, operations with units of collective investment undertakings, personal capital loans, other transfers similar in nature to short-term capital transactions). The period of application of such safeguard measures shall not usually exceed six months.

The safeguard measures may consist of: compelling residents and non-residents to notify the National Bank of Romania, 10 days earlier, about their intention to perform short-

term capital transactions; charging a commission fee at the initiation of interbank exchange market transactions concerning the selling/buying of foreign currency; raising the mandatory reserve ratio for the amounts representing short-term capital inflows; imposing other restrictions or taking supplementary measures for monitoring capital transactions.

Such safeguard measures, applicable to both residents and non-residents, shall be communicated to the European Commission and the other Member States by the National Bank of Romania, by the date of their entry into force at the latest. At the explicit request of the European Commission, the National Bank of Romania shall be bound to amend, replace or abolish the respective safeguard measures, as the case may be.