SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

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Societate administrată în sistem dualist

No. 5509/26.08.2020

To: Bucharest Stock Exchange
Financial Supervisory Authority
- Financial Instruments and Investments Sector

CURRENT REPORT
According to Law no. 24/2017 and F.S.A. Regulation no. 5/2018
Report date: 26.08.2020

S.I.F. Transilvania S.A.
Headquarters: 2, Nicolae Iorga Street, Brasov 500057
Telephone: +40 268 415529, 416171; Fax: +40 268 473215, 473216
Tax registration code: RO3047687
Order number in the Trade Register: J08/3306/92
Registration number in the NSC Register: PJR 09 SIIR/080004
LEI Code (Legal Entity Identifier): 254900E2IL36VM93H128
Subscribed and paid-in share capital: RON 216,244,379.70
Regulated market on which the issued securities are traded: Bucharest Stock Exchange (ticker: SIF3)

Important event to be reported: Updating of the Articles of Incorporation

S.I.F. Transilvania informs the shareholders and investors that, due to material errors that occurred within the Articles of Incorporation no. 5378/20.08.2020, as attached to the Current report no. 5379/20.08.2020, the company updated the Articles of Incorporation, by renumbering the paragraphs of the old Articles of Incorporation as a result of the introduction or removal of some paragraphs, removing the phrase "N.S.C." and by including the amendments to the Articles of Incorporation made by the shareholders according to the E.G.M.S. Resolution of 29.06.2020, and those made by the F.S.A. on the occasion of authorizing the amendments to the Articles of Incorporation. Under these circumstances, the Articles of Incorporation no. 5477/25.08.2020 (attached to this current report) replaces the Articles of Incorporation no. 5378/20.08.2020.

We would also like to inform the shareholders that an application to intervene was filed with the Trade Register Office attached to the Brasov Tribunal, in respect to SIF Transilvania's request for the recording and publishing in the Official Gazette of Romania of the Articles of Incorporation no. 5378/20.08.2020.

Given that the updated Articles of Incorporation no. 5477/25.08.2020 replaces the old Articles of Incorporation, SIF Transilvania will carry out all necessary arrangements to publish the updated Articles of Incorporation.

Considering the applications to intervene formulated so far in respect to all applications for registration submitted by our company to the Trade Register, S.I.F. Transilvania's Executive Board asks all shareholders in good faith not to file a new application to intervene in respect to the request for the recording and publishing in the Official Gazette of Romania of the new Articles of Incorporation, so that the company's activity can be governed by the new articles of incorporation approved by the shareholders and authorized by the F.S.A.

Marius Adrian Moldovan	**Radu-Claudiu Roşca**
Executive President/CEO	**Executive Vice President/Deputy CEO**

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No. 5477/25.08.2020

ARTICLES OF INCORPORATION
of Societatea de Investiţii Financiare TRANSILVANIA S.A. Braşov
Updated 25 August 2020

Preamble

The undersigned, ec. **Marius-Adrian MOLDOVAN**, in the capacity of **Executive President/Chief Executive Officer of S.I.F. Transilvania S.A.** and shareholder of the Company, under article 9 of Resolution no. 1/29.06.2020 of the Extraordinary General Meeting of S.I.F. Transilvania Shareholders and the provisions of the F.S.A. Authorization no. 145/19.08.2020, in compliance with the provisions of article 204 of Law 31/1990, republished in 2004, as further amended and supplemented, I proceeded to the updating of the Articles of Incorporation of S.I.F. Transilvania S.A. Brașov.

The updating of this Articles of Incorporation, which replaces the Articles of Incorporation no. 5378/20.08.2020, took into consideration the Company's Articles of Incorporation no. 4868/29.05.2019, updated following the completion of the reduction of the Company's share capital approved by Resolution no. 1/06.03.2019 of the Extraordinary General Meeting of Shareholders, the Resolution no. 1/29.06.2020 of the Extraordinary General Meeting of Shareholders on the amendment of the Company's Articles of Incorporation and the F.S.A. Authorization no. 145/19.08.2020. On the occasion of updating this Articles of Incorporation, the paragraphs of the old Articles of Incorporation were renumbered as a result of the introduction or removal of some paragraphs, the phrase "N.S.C." was removed and the amendments to the Articles of Incorporation, made by the shareholders according to the E.G.M.S. Resolution of 29.06.2020, and those made by the F.S.A. on the occasion of authorizing the amendments to the Articles of Incorporation were included.

Chapter I - Name, legal form, headquarters and duration

Art. 1 - (1) The Company name is Societatea de Investiții Financiare TRANSILVANIA S.A., abbreviated as S.I.F. TRANSILVANIA; the Company logo is the one attached to the Articles of Incorporation herein. All documents, invoices, notices, publications and other documents issued by the Company shall contain the following information: the Company name, followed by the words „societate pe actiuni" (joint-stock company) or by the acronym "S.A.", the subscribed and paid-in share capital, the registration number with the Trade Register and the year of registration, the fiscal code, the Company headquarters and the mention that the Company is self-managed in a two-tier system.

(2) The Company is registered with the Trade Register under no. J08/3306/1992 and has the Sole Registration Code - 3047687 and the Fiscal Identification Code - RO 3047687.

Art. 2 – (1) **S.I.F. Transilvania is a Romanian legal entity, organized as a joint-stock company (S.A.).** It has been operating as such since 1 November 1996 subsequent to the reorganization by transformation without liquidation of the former Fondul Proprietății Private III Transilvania, according to the provisions of Law 133/1996. The Company is assimilated to other collective investment undertakings, namely to closed-end financial investment companies, and is classified under "Other collective investment undertakings", abbreviated as O.C.I.U.[1]

(2) The Company carries out its activity in accordance with the provisions of the applicable Romanian legislation.

(3) The Company is self-managed in a two-tier system.

Art. 3 - (1) The Company's headquarters is located in Brasov, 2 Nicolae Iorga Street, Brasov County, Romania. The headquarters may change to whatever address in Romania by means of amending the Articles of Incorporation, based on the resolution of the General Meeting of Shareholders and by conducting the afferent legal formalities.

(2) As necessary and appropriate, the Executive Board may open or close branch offices, subsidiaries, agencies as well as working points, both inside the country and abroad, with the approval of the Supervisory Board and by observing the legal requirements regarding authorization and publicity.

(3) In order to achieve its object of activity, the Company has a branch office located in Bucharest.

Art. 4 - The Company has an unlimited duration.

Chapter II - Company's purpose and object of activity

Art. 5 - The Company's purpose is to perform lucrative (financial) activities, which are specific to its object of activity and to obtain profit in order to be distributed to shareholders and/or in order to ensure its own resources needed to finance necessary and opportune financial investments, allowed by the statutory object of activity and by current legal provisions.

Art. 6 - (1) The Company's object of activity is exclusively limited to activities which are specific to closed-end investment companies:

- The Company's main field of activity is NACE Code 649 - Other financial service activities, except insurance and pension funding.

(2) The main activity is NACE Code 6499 - Other financial service activities not elsewhere classified.

(3) Other activities:

(i) Portfolio management;

(ii) Risk management.

(4) The secondary activities according to NACE classification are:

6430 - Mutual funds and other similar financial entities.

(5) The Company's object of activity can be changed, amended, supplemented, limited etc. by decision of the Executive Board, with the approval of the Supervisory Board, except for the main field of activity and the main activity, which can only be changed by means of a resolution of the Extraordinary General Meeting of Shareholders.

Chapter III - Company's share capital, shares and shareholders

Art. 7 - The subscribed and paid-in share capital is of RON 216,244,379.70 and is divided into 2,162,443,797 registered shares.

Art. 8. - (1) The identification data of each shareholder, its contribution to the share capital, the number of shares held and the percentage of the total share capital are those recorded in the Shareholders' Register kept by the independent register company designated by contract for such purpose.

[1] Art. 2 para. (1) of the Articles of Incorporation has the wording prior to the amendment approved through the E.G.M.S. Resolution no. 1 / 29.06.2020, due to the fact that this amendment has not been authorized by the F.S.A. Authorization. no. 145 / 08.19.2020.

(2) The share capital may be increased or decreased based on the resolution of the extraordinary general meeting of shareholders (E.G.M.S.), according to the legal provisions in force. Any share capital increase may be delegated to the competence of the Executive Board, only up to the maximum level approved by the E.G.M.S. and only for a maximum period of one year. This delegation may be renewed by the E.G.M.S. for a new period of maximum one year.

(3) The share capital may be decreased in accordance with the legal provisions in force.

(4) The Executive Board is entitled to decide the increase of the share capital by the incorporation of some statutory reserves and other reserves set up in compliance with the Articles of Incorporation, the lawful provisions and the resolutions of the general meetings of shareholders, to the extent it deems such decision as being necessary and appropriate, only with the endorsement of the Supervisory Board.

Art. 9 - (1) The shares issued by the Company are registered, indivisible, of equal value, dematerialized and will be numbered by the independent shareholder register company designated by contract to keep the shareholders' register.

(2) The capacity as shareholder of the company and the number of shares held shall be certified through an account statement, issued and certified by signature and seal by the Central Depository S.A. or, as appropriate, by the participants providing custody services as defined by the lawful provisions in force.

(3) Any change in the legal status of the Company's shareholders, regardless of cause, shall be notified by the interested party to the independent register company with which S.I.F. Transilvania concluded a register agreement. The changes in the shareholders' legal status which are not communicated and registered in the Shareholders' Register kept by the company designated by contract for this purpose shall not be opposable to S.I.F. Transilvania.

(4) The nominal value of one share is RON 0.10. The shares grant equal rights to shareholders, except for the cases in which the voting right in the General Meeting of Shareholders is limited by law or by Articles of Incorporation. If one or several shares are acquired by several persons in various quotas, the Company shall acknowledge a sole representative in view of exercising the rights associated with such shares.

(5) The shares are negotiable and freely transferable in compliance with the legal provisions.

(6) The ownership right on the shares may also be transferred by documents in case of demise of the rightful owner, as well as through any other legal acts transferring rights, according to the law in force.

(7) S.I.F. Transilvania S.A. may redeem its own shares, in accordance with the lawful provisions applicable to the redemption of shares by a company admitted to trading on a regulated market[2].

(8) The General Meeting of Shareholders may authorize the Executive Board to redeem the shares of the Company for a price established by the Executive Board, in accordance with the F.S.A. regulations and the evolution of the market price of the Company’s shares.

Art. 10 - (1) The Company's shareholders are or will be the natural persons or legal entities who acquired or will acquire the status of owner of one or several shares issued by the Company, including in ideal pro rata quota, and who recorded their acquired right in the shareholders' register kept by the independent register company, according to the legal provisions.

(2) The acquirement by any means of the Company's shares implies the full adhesion to the provisions of the Articles of Incorporation, in effect at the date of acquisition.

(3) Each shareholder is entitled to dividends proportionally to its participation to the share capital. The value of the dividends and the term in which they are to be paid to the

[2] Art. 9 para.(7) - former art. 9 para..(9) – has the wording authorized through the F.S.A. Authorization no. 145/19.08.2020.

shareholders will be established by resolution of the general meeting of shareholders. S.I.F. Transilvania, as a dividend paying company, is entitled to deduct from the amount to be paid as dividends the expenses related to the payment. The payment of dividends and of any other amounts due to the holders of securities issued by S.I.F. Transilvania will be carried out through the central depository and the participants in the clearing-settlement and the registry system, according to the law.

(4) The right to dividends and other rights derived from the capacity as shareholder may be exercised by the persons registered in the shareholders' register at the date established through the resolution of the general meeting of shareholders, in accordance with the lawful provisions in force.

Art. 11 - (1) The Company's obligations are secured by the share capital and, in general, by all its assets, while the shareholders are liable to third parties within the limit of the value of their shares.

(2) The rights and obligations related to shares follow the shares, according to legal provisions, except for the rights and obligations created in the holders' patrimony before the transfer.

Art. 12 - No shareholder, regardless of the capital share held, has the right to put its own interests above the Company's interests, so that their votes in the General Meetings, as well as any other actions they perform in relation to the Company, will be deemed legitimate or illegitimate in the light of the fulfilment of such fundamental obligation.

Art. 13 - It is contrary to the law and to the Articles of Incorporation herein, as well as to the Company's priority interest, to abusively use the position held as shareholders or members of the Supervisory Board or Executive Board or employees of the Company (contrary to the purpose provided by or allowed by the law), by performing disloyal or fraudulent deeds whose objective is to harm or damage the rights regarding the securities and other financial instruments issued by the Company and held by such persons. Shareholders must exercise the rights granted by these securities in good faith, observing the legitimate rights and interests of the other holders and the priority interest of the Company. Otherwise, they are liable for damages.

Chapter IV - General Meeting of Shareholders

Art. 14 – (1) The supreme governing body of the Company is the General Meeting of Shareholders which shall be established and shall operate according to the law and the Articles of Incorporation herein.

(2) Each shareholder is entitled to participate and vote in any of the Company's General Meetings of Shareholders in person, by proxy or by correspondence or electronic means, according to the lawful provisions and the F.S.A. Regulations issued for the enforcement of law. The Executive Board shall issue regulations regarding the voting procedures by proxy, by correspondence or by electronic means so as to ensure the possibility of exercising of the voting right, in accordance with the lawful provisions in force. The vote by correspondence shall be performed at the shareholder's expense and not at the company's expense. Any form of influencing the shareholders' vote, as well as any form of rewarding the attendance of the shareholders at the general meetings is forbidden.

(3) The shareholders entitled to participate in the General Meetings are the ones registered on the reference date in the Shareholders' Register, kept under the laws in force.

(4) The General Meetings of Shareholders are ordinary and extraordinary. The quorum necessary for organizing and conducting General Meetings of Shareholders and the majority necessary for adopting resolutions are those provided by the legal provisions in force. The works of the General Meetings of Shareholders may take place, at the proposal of the Executive Board mentioned in the convening notice, at a location in the city of the registered headquarters, but not at the headquarters.

(5) The duties that can be exercised by the ordinary and extraordinary general meetings are those provided for by Law no. 31/1990, as further amended and supplemented, as well as those regulated by the capital market legislation.

(6) The ordinary or extraordinary general meeting shall be convened by the Executive Board whenever necessary or upon such request of the shareholders entitled under the law, if their request includes provisions falling within the competencies of the general meeting, by its nature.

(7) In order to ensure the actual and real possibility for all shareholders to gain knowledge of and on the documents and proposals made for each General Meeting of Shareholders, the Company's Executive Board shall take all the necessary measures stipulated by Law no. 24/2017 and those provided for by the F.S.A. regulations issued for the enforcement of said Law.

(8) The convening of the General Meetings of Shareholders and providing the shareholders with all the documents and information related to the items subjected for approval shall be carried out by the Executive Board that shall take the necessary measures to publish the convening notice in the Official Gazette of Romania- Part IV, in at least one daily national newspaper, as well as in any other means of mass communication established by the Executive Board. The convening notice of the General Meeting of Shareholders shall be sent to the F.S.A. and to the Operator of the market on which the Company's shares are traded.

(9) In the notices regarding the convening of the General Meeting of Shareholders, the Executive Board shall indicate the reference date in relation to which the shareholders are entitled to participate and vote. Also, they will establish the deadline by which the shareholders may send their vote by proxy, correspondence and/or electronic means, should these rights be used, for each item subjected to approval.

(10) On the date and at the time indicated in the Convening Notice, the works of the general meeting of shareholders shall be opened by the President of the Executive Board or by the person replacing him.[3]

Chapter V - Supervisory Board

Art. 15 - (1) The Company is managed in a two-tier system by an Executive Board under the control of the Supervisory Board. The mandate of the Supervisory Board members is granted for a 4-year period. The Supervisory Board is comprised of 5 natural persons, who must cumulatively meet the conditions provided for by the legislation in force for holding this position[4].

(2) The members of the Supervisory Board shall elect a president from its members during the first board meeting organized after the members' approval by the F.S.A., with the vote of the majority of the members. The revocation of the President shall be made, for solid reasons, with the vote of the majority of the Supervisory Board members.

(3) The Supervisory Board shall also elect from its members a vice-president, according to the same terms as those stipulated by the previous paragraph; in case of justified absence of the President, for reasons beyond his/her will, the vice-president shall exercise the prerogatives of the President. The vice-president may be revoked within the same terms as those stipulated by the previous paragraph.

[3] Art. 14 para. (10) has the wording authorized through the F.S.A. Authorization no. 145/19.08.2020.

[4] In accordance with art. 1 para.(2) of the F.S.A. Authorization no. 145/19.08.2020, the amendment of art. 15 para. (1) of the Articles of Incorporation will enter into force on the date of authorization by the F.S.A. of the composition of the Supervisory Board consisting of 5 members, following their appointment by the ordinary general meeting of the company's shareholders.

The previous wording of the preamble of art. 15 para.(1) was the following: *"The Company is managed in a two-tier system by an Executive Board controlled by the Supervisory Board. The mandate of the Supervisory Board members is granted for a 4-year period. The Supervisory Board is comprised of seven natural persons, who must cumulatively meet the following conditions:"*

(4) The Supervisory Board has full powers in supervising and controlling the activity of the Executive Board, according to the law. In relation with the members of the Supervisory Board, the confidentiality with respect to any information related to the Company does not apply, with any restrictions justified by data confidentiality.

(5) The Supervisory Board has the following main responsibilities on the application of the corporate governance principles:

(i) supervises and is responsible for the carrying out of the strategic management of the Company and the objectives set;

(ii) endorses the Company's business plan and assesses the Company's financial position;

(iii) establishes relevant criteria for monitoring the results of the Executive Board activity and of the Company as a whole and assesses annually the application thereof;

(iv) ensures that there is an appropriate verification framework of the way the specific legislation on the reporting to the F.S.A. is applied and of the information submitted to the F.S.A. upon the request of the latter, concerning certain actions taken by the Company;

(v) analyses the adequacy, efficiency and updating of the risk management system to efficiently manage the assets held by the Company, as well as the manner in which the risks to which it is exposed are being managed;

(vi) approves the Company's risk appetite and tolerance limits and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks to which the Company is or may be exposed;

(vii) analyses the adequacy, efficiency and updating of the internal control - compliance system so as to ensure its independence from the operational and support structures within the Company;

(viii) supervises the compliance with the requirements regarding outsourcing / delegation of operational activities or functions, both before and throughout the outsourcing / delegation period;

(ix) analyses and establishes the remuneration policy of the Company so that it complies with the business strategy, objectives and long-term interests and includes measures for preventing conflicts of interest;

(x) ensures that the Company has a communication strategy that complies with the applicable legal requirements;

(xi) ensures the development of ethical and professional standards to ensure a professional and responsible behaviour within the Company in order to prevent conflicts of interest;

(xii) assesses semi-annually the plans for ensuring the business continuity and the emergency plans of the Company.

Art. 16 – (1) The rights and obligations of the members of the Supervisory Board and of the Company regarding their activity are established under the conditions and within the limits provided for by the law, by means of a management agreement approved by the General Meeting of Shareholders which has on the agenda the election of the Supervisory Board for a new mandate. The management agreement shall be signed on behalf of the Ordinary General Meeting of Shareholders by the President of the Executive Board or by a person designated in this respect by the General Meeting of Shareholders within which the members of the Supervisory Board are elected.

(2) The monthly remuneration of the members of the Supervisory Board shall be equal to 2.0 gross average salaries at the Company level for each member of the Board, 2.5 gross average salaries at the Company level for the vice-president and 3.0 gross average salaries at the Company level for the president. The additional remuneration of the members of the Supervisory Board who are also part of the advisory committees of the Supervisory Board shall be 10% of

their monthly remuneration, regardless of the number of committees they are part of. Should the members of the Supervisory Board not participate in the works of the board meetings, neither by physical presence nor by proxy, for a period longer than three months, they are no longer entitled to the monthly allowance for a period equal to the period in which they did not participate in the board meetings. The variable remuneration, corresponding to the previous year, will be reduced pro-rata, corresponding to the period in which they have not received the fixed remuneration.

(3) Each member of the Supervisory Board shall explicitly accept to exercise the mandate granted and conclude a professional liability insurance amounting to the RON equivalent of Euro 250,000. The insurance premiums shall be incurred by the Company.

Art. 17 - (1) The Supervisory Board shall meet at least once every 3 months, in ordinary meetings, upon the convening of the President. The Supervisory Board may be convened in extraordinary meeting and upon the motivated request of at least two of its members or upon the request of the Executive Board, whenever such convening is necessary. The date, time and place of the meeting shall be listed in the request to convene made by at least two members of the Supervisory Board or by the Executive Board. The deadline for convening and holding the extraordinary meeting is a maximum of three days. The agenda will be proposed by the authors of the request to convene. The President is obligated to act on such a request, within the deadline indicated in the request to convene, so that the meeting is convened and takes place until the fulfilment of said deadline. Should the President not comply with the request to convene the extraordinary meeting made by at least two members of the supervisory board/Executive Board, the meeting shall be considered legally convened through the request to convene submitted by the members of the supervisory board/Executive Board and shall be held at the proposed date, time and venue. The Regulation on the Organization and Functioning of the Supervisory Board may also regulate shorter deadlines for convening and conducting the meetings of the Supervisory Board, justified by the urgency of the situations.[5]

(2) The convening notice of the Supervisory Board meeting shall be forwarded to the Board members in good time before the meeting. This term and the functioning of the Board shall be established by the Regulation on the Organization and Functioning of the Supervisory Board.

(3) The members of the Supervisory Board shall exercise their mandate personally, loyally and in the Company's interest. By way of exception, a member of the Supervisory Board may represent in the board meetings only one absent member, based on a special power of attorney, valid only for a specific meeting of the Supervisory Board. The power of attorney is valid and takes effect provided that it is sent to the company and to the other board members, by the board secretary, minimum 2 days prior to the meeting date.

(4) The meetings of the Supervisory Board shall be held at the Company's headquarters or at any other location indicated in the convening notice and shall be chaired by the President or, in case of unavailability of the latter, by the Vice-President or another board member designated by the members of the Supervisory Board attending the meeting.

(5) The resolutions of the Supervisory Board shall be valid if adopted in the presence of the simple majority of the members of the total number of members provided for in the Articles of Incorporation, with the vote of the majority of the present or represented members. In the event of a tie, the President shall have the casting vote[6].

(6) The participation in the Supervisory Board meetings may also take place by means of remote communication, conference calls or e-mail. The minutes drafted after such a meeting shall be signed by all the Supervisory Board members who attended the meeting.[7]

[5] Art. 17 para.(1) has the wording authorized through the F.S.A. Authorization no. 145/19.08.2020.
[6] Art. 17 para.(5) has the wording authorized through the F.S.A. Authorization no. 145/19.08.2020.
[7] Art. 17 para. (6) has the wording authorized through the F.S.A. Authorization no. 145/19.08.2020.

(7) In exceptional cases, justified by urgent situations and by the Company's interest, the resolutions of the Supervisory Board may be adopted by the unanimous vote of the members, expressed in writing, case in which the board meeting is not required.

(8) The Supervisory Board may establish advisory committees consisting of at least two members, in charge with carrying out investigations and making recommendations to the Board. The establishment of the audit, risk and remuneration and nomination committees is mandatory.

(9) The members of the Supervisory Board are entitled to be reimbursed by the Company for all expenses incurred for the transportation to and attendance at any of the meetings of the Supervisory Board, as well as for any activity related to the supervision, management and activity of the Executive Board.

Art. 18 – (1) The members of the Supervisory Board may be revoked at any time by the General Meeting of Shareholders for good reason.

(2) In case of one or several vacancies in the Supervisory Board, irrespective of reasons, the other members shall appoint, with the majority vote, interim member/s, until the convening of the General Meeting of Shareholders.

(3) If the vacancies provided by paragraph (2) lead to the decrease in the number of the Supervisory Board members under the legal minimum, the Executive Board shall immediately convene the General Meeting of Shareholders in order to fill the vacancies in the Supervisory Board.

Chapter VI – Executive Board

Art. 19 – (1) The Supervisory Board appoints an Executive Board comprised of 3 members. Based on the decision of the Supervisory Board, one of the members shall be appointed Executive President, also holding the position of Chief Executive Officer, and another member shall be appointed Executive Vice-President, substitute for the President, also holding the position of deputy CEO. The mandate of the Executive Board members is granted for a maximum 4-year period that can be renewed for new 4-year periods.

(2) The members of the Executive Board, as well as the persons replacing them, shall meet the conditions provided by paragraph (1) of article 15 of the Articles of Incorporation herein, shall have an experience of minimum five years in the field of investment management or capital market and shall conclude a professional liability insurance amounting to the RON equivalent of Euro 300,000. The insurance premiums shall be incurred by the Company.

(3) The activity of the Executive Board members as well as the relationship between them and the Company shall be governed by the Mandate Agreement, signed on behalf of the Company by a member of the Supervisory Board designated for this purpose by the Supervisory Board. The Agreement shall observe the provisions of the Articles of Incorporation herein and the legislation in force.

4) In relation to third parties, the Company shall be represented by the President of the Executive Board or by other member of the Executive Board designated for this purpose and it shall be bound by the signature of two persons (two members of the Executive Board).

(5) The Executive Board may conclude legal acts on behalf of the Company regarding acquirement, disposal, exchange or warranty of goods, whose value does not exceed, individually or cumulatively, during a financial year, 20% of the total fixed assets of the Company, less the receivables.

(6) The Executive Board is responsible with taking all measures afferent to the current management of the Company, within the limits of its object of activity and observing the exclusive competencies granted by law or by the Articles of Incorporation to the Supervisory Board and the General Meeting.

(7) The limits of the monthly remuneration of the President of the Executive Board are established between seven and nine gross average salaries at the Company level, the limits of the monthly remuneration of the Vice-President of the Executive Board are established between four

and six gross average salaries at the Company level and the limits of the monthly remuneration for the Member of the Executive Board are established between three and five gross average salaries at the Company level. The actual levels of remuneration shall be established by the Supervisory Board.

(8) The members of the Executive Board may be revoked at any time by the Supervisory Board. If the revocation incurs without just cause, the members of the Executive Board are entitled to damages established in accordance with the management agreement concluded by them with the company. The damages to be paid to the Executive President/Chief Executive Officer as a result of unjustified revocation are equivalent to a maximum of 12 fixed monthly allowances, and the damages to be paid to the Executive Vice-President/Deputy Chief Executive Officer and the Member of the Executive Board/Director, following a revocation without just cause, are equivalent to a maximum of 6 fixed monthly allowances.

(9) The Chief Executive Officer shall hire and dismiss the managers who have not been delegated management prerogatives (those who hold such a position based on a labour relationship), based on the prior approval by the Executive Board, and for the other employees, the Chief Executive Officer is solely responsible for making such decision. The remuneration of the Company's personnel, irrespective of their position, shall be established by negotiations between the Chief Executive Officer and such personnel, according to the terms of the collective labour agreement, the wage grid approved by the Executive Board and the legal provisions.

(10) At the management level, the Chief Executive Officer may organize an executive committee consisting of executive directors which analyse the issues specific to the fulfilment of the Company's object of activity, as well as measures to be applied to the companies in the portfolio. The organization of the Executive Committee, its prerogatives and the manner in which its activity will be carried out shall be established based on the internal rules approved by the Supervisory Board.

(11) The convening notice of the Executive Board meeting shall be forwarded to the Board members in good time before the meeting. This term and the functioning of the Executive Board shall be established by the Regulation on the Organization and Functioning of the Executive Board.

(12) The Executive Board members shall exercise their mandate personally, loyally and in the Company’s interest. By way of exception, a member of the Executive Board may represent in the board meetings only one absent member, based on a special power of attorney valid only for a specific meeting.

(13) At least half of the Executive Board members must be present so as the decisions are valid. The Executive Board decisions shall be adopted by the vote of the majority of the members present or represented at the respective meeting of the Executive Board. In the event of a tie, the President of the Executive Board, or his designated substitute, shall have the casting vote.

Chapter VII – Company’s control

Art. 20 – (1) The Company shall organize its internal audit activity in accordance with the legal provisions in force, by contracting the services of an auditor, natural person or legal entity, as appropriate.

(2) The internal auditor must participate in the meetings of the Supervisory Board and bring to its attention any management irregularities and any breach of legal provisions or of the Articles of Incorporation that s/he finds, while the most important cases will be brought to the attention of the General Meeting. Also, the internal auditor must perform unannounced and thematic controls with regard to any of the Company's activities and departments and to inform the members of the Supervisory Board and the Executive Board about his findings and propose the required measures for eliminating the deficiencies and optimizing the activity.

(3) As part of its activity, the internal auditor shall have the following responsibilities:

a) supervises the Company's management and verifies whether the financial statements are lawfully prepared and compliant with the Company's registers;

b) supervises the valuation methods of the patrimonial items, the compliance with the legal provisions regarding the preparation and disclosure of the financial statements, as well as the preparation of periodical reports on the activity performed;

c) makes proposals regarding the documents presented by the members of the Supervisory Board at the annual general meeting of shareholders, which should be included in a detailed report, drawn up according to the lawful regulations specific to their activity;

d) verifies the complaints made by the shareholders and, according to the findings, takes the measures provided by law;

e) carries out any other associated activity, if such activity may contribute to the good performance of the Company's activity;

f) maintains the professional secrecy during the term of office and for a period of at least three years after the expiry of such term.

g) any other responsibilities established by the law and/or by the Supervisory Board.

Art. 21 – (1) The financial statements shall be subjected to the lawful auditing obligation.

(2) The operations stipulated by the previous paragraph shall be carried out by a statutory auditor, natural person or legal entity, member of the Romanian Chamber of Financial Auditors, whose appointment and duration of mandate is established by the ordinary general meeting of shareholders. The statutory auditor’s activity shall be carried out in accordance with the legal provisions in force and the professional norms, under a service-rendering contract approved by the Executive Board and endorsed by the Supervisory Board.

(3) The persons appointed to carry out such activities shall comply with the lawful conditions and shall also be subjected to the interdictions arising from them.

Chapter VIII – Company's activity

Art. 22 – (1) The Company shall organize and keep the accounting records, according to the applicable specific accounting regulations.

(2) Through the care of the Executive Board, the Company must keep up to date all the registers as well as the other records provided by law.

(3) The financial year starts on January 1st and ends on December 31st of every year. The first financial year starts at the date of the Company’s incorporation.

(4) In compliance with the applicable accounting regulations, the Company shall prepare annual individual financial statements which shall be submitted for approval to the ordinary General Meeting of Shareholders, accompanied by the reports of the Executive Board, the Supervisory Board and the financial auditor.

(5) The net asset value shall be calculated according to the current regulations issued by the Financial Supervisory Authority and the applicable Internal Procedures.

(6) The Company shall take measures in order to comply with the reporting requirements established by the regulations issued by the Ministry of Public Finances, the F.S.A. and the regulated market on which the Company's shares are traded.

Art. 23 – The members of the Executive Board shall submit, within 15 days from the date of the General Meeting, a copy of the annual financial statements, accompanied by the reports of the Executive Board, the Supervisory Board and the statutory auditor, as well as by the minutes of the general meeting, to the Trade Register, the F.S.A. and to the other institutions provided by applicable legal regulations.

Art. 24 - (1) The company shall be financed from its own and/or borrowed sources, within the limits allowed by the law.

(2) The Company shall observe at any time during the performance of its activity the prudential rules regarding the investment policy, provided by the applicable legal regulations in force.

Art. 25 - (1) The Company's revenues shall be obtained from the activity carried out by the Company and shall be determined according to the applicable accounting regulations.

(2) The Company's profit or loss shall be determined monthly and cumulated from the beginning of each financial year, being annually subjected to the approval of the General Meeting of Shareholders.

(3) The shareholders' participation to profit and loss will be proportional with the share capital held by each shareholder, according to the terms stipulated by the Articles of Incorporation herein.

(4) The members of the Supervisory Board, the members of the Executive Board and the Company personnel have the right to receive a variable remuneration consisting of shares issued by S.I.F. Transilvania S.A. within Stock Option Plans (S.O.P.), which are annually approved by the company's shareholders, with the observance of the legal provisions in force regarding the variable remuneration within A.I.F.M.[8]

(5) The distribution per destinations of the annual net profit shall be decided by the Ordinary General Meetings of Shareholders, taking into account the limitations provided by the Articles of Incorporation herein and the financing needs of the Company.

Art. 26 - (1) The Company personnel shall be employed in accordance with the internal regulations and legal provisions, through individual labour agreements, concluded based on negotiations, with the observance of the provisions of the collective labour agreement. The rights and obligations of the Company personnel are established by the individual labour agreement, the Company's organization and operating regulations and by the collective labour agreement, approved by the Executive Board.

(2) The collective labour agreement shall be approved by the Executive Board and signed by the Company's Chief Executive Officer.

(3) The individual labour agreements shall be signed by the Chief Executive Officer and a member of the Executive Board.

Art. 27 - The incapacities and incompatibilities of the natural persons that take part in the deliberative and executive management of the closed-end investment company are stipulated by the regulations provided by legislation in force.

Art. 28 - (1) The Company shall conclude a depository contract with a depository legal entity, authorized and supervised by the F.S.A. and which performs securities depository operations, as well as any other related operations. The conditions for the replacement of the depository company and the terms regarding the insurance of the shareholders' protection in such situations are those provided for by the legislation in force and shall be included in the depository contract.

(2) The replacement of the Depository may occur based on the decision of the Executive Board, with the endorsement of the Supervisory Board, in case of termination of the depository contract; the replacement will be carried out so as to insure the protection of shareholders in such situations by observing the provisions regarding the termination of the contract and the safe transfer of securities.

(3) The calculation of the net asset value of the Company shall be carried out in compliance with the legislation in force, the F.S.A. regulations issued for the enforcement of such law and the applicable internal procedures, the Company being obligated to make sure that the value of the net assets is accurately calculated.

(4) The frequency of the net asset calculation shall be established by the regulations to be issued for the enforcement of Law 297/2004.

[8] Art. 25 para.(4) has the wording authorized through the F.S.A. Authorization no. 145/19.08.2020.

Chapter IX – Merger, division, dissolution, liquidation, litigations

Art. 29 – The Company's reorganization by merger or division or by change of legal form shall be approved by the Extraordinary General Meeting of Shareholders under the conditions of and by observing the lawful provisions in force at the date of the operation.

Art. 30 - The Company's dissolution and liquidation shall be carried out in the cases provided by law.

Art. 31 – (1) The potential litigations between shareholders regarding the conclusion, interpretation, enforcement or termination of the Articles of Incorporation herein shall be settled amicably. In case of litigations which cannot be settled amicably, they will be referred to Romanian Courts.

(2) The Company's litigations with third parties and/or its own employees shall be settled according to the legal provisions in force.

Chapter X – Final provisions

Art. 32 – (1) The provisions of the Articles of Incorporation herein may be amended by the Extraordinary General Meeting of Shareholders and/or by the Executive Board based on special proxies, observing legal provisions and the conditions regarding format and publicity provided by law.

(2) Any amendment to and/or supplementation of the Articles of Incorporation herein is valid only if adopted by the Extraordinary General Meeting of Shareholders and/or by the Executive Board, as the case may be, observing all the substantive and format requirements stipulated by the legislation in force regarding companies and closed-end investment companies.

(3) The Articles of Incorporation herein shall enter into effect on the date of signing and shall become opposable to third parties, including to shareholders who, for different reasons, did not vote its adoption, from the date of its registration with the Trade Register attached to the Brasov Tribunal, date from which the previous Articles of Incorporation and amending addenda shall lose their validity.

Art. 33 - The Articles of Incorporation herein shall be supplemented by the lawful provisions on the incorporation and functioning of joint-stock companies, in general and on the closed-end financial investment companies, in particular and shall be deemed implicitly amended should new imperative regulations be issued, which amend the provisions of the Articles of Incorporation herein. If, subsequent to the adoption of the Articles of Incorporation herein, new applicable normative acts are issued and adopted, whose provisions are imperative, the provisions of the document herein shall be deemed amended accordingly.

Art. 34 – The Articles of Incorporation herein, updated on 25 August 2020, have been drafted in ten original counterparts.

Ec. Marius-Adrian MOLDOVAN
Executive President / Chief Executive Officer