



SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.

str. Nicolae Iorga 2, Braşov 500057, România • tel.: +4 0268 415 529, +4 0268 416 171
fax: +4 0268 473 215, +4 0268 473 216 • transif@transif.ro • www.siftransilvania.ro



Societate administrată în sistem dualist

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

CURRENT REPORT
According to the N.S.C. Regulation no. 1/ 2006
Report date: December 22, 2015

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

Subscribed and paid-in share capital: RON 218,428,666.40

Regulated market on which the issued securities are traded: Bucharest Stock Exchange (ticker: SIF3)

Important event to be reported: request of a group of shareholders to convene the ordinary general meetings of shareholders of S.I.F. Transilvania

Supervisory Board of S.I.F. Transilvania informs the investors that it took notice of the request sent on December 16th, 2015 by a group of shareholders jointly holding 8.09% of the share capital, by which they are requesting the convening of the general meeting of shareholders. During the meeting held on December 17th, 2015, the Supervisory Board preliminary analyzed the request of the shareholders, addressed to the Supervisory Board, the Executive Board and the internal Auditor.

In order to accurately inform the investors, we formulate the following:

1. The request for convening the ordinary general meeting of shareholders is sent by the group of investors jointly holding 8.09% of the share capital, having as members amongst others:
 - **Frăţilă group**, shareholders group who repeatedly convened ordinary and extraordinary meetings of shareholders of S.I.F. Transilvania having an identical or rather similar agenda - facts for which the Court ascertained the abuse of minority of the shareholder Frăţilă Constantin and compelled the latter to the payment of claims (acc. to the Resolution of the Braşov Court of Appeal no. 1622/27.11.2015 from the file no. 4801/62/2014, ascertaining the abuse of minority); Frăţilă Constantin is a former member of the Supervisory Board of S.I.F. Transilvania, being revoked from this capacity by the shareholders through the OGMS

Resolution no. 1 of August 11th, 2014. Frățilă Constantin is a shareholder of S.C. COMCM S.A. Constanța, company where S.I.F. Transilvania, despite its capacity of majority shareholder of the company, is prevented by Frățilă Constantin in taking over the management of the company, by continuous abuse, presently under the jurisdiction of the competent courts of law; Frățilă Constantin together with the group falling under its coordination plundered the company COMCM S.A. Constanța by transferring the majority held by this company in S.C. SCUT S.A. Constanța to persons within the Frățilă group- case under the analysis of the competent courts of law;

- **Toia Radu** - former member of the Executive Board of S.I.F. Transilvania, revoked from this capacity by the Supervisory Board on July 30th, 2015 pursuant to the wrongful fulfillment of its responsibilities assigned in the capacity of Executive Vice President/Deputy CEO, responsible for the activities in connection with the management of S.I.F. Transilvania portfolio; Mr. Toia Radu is the one who in the capacity of Chairman of the Board of Directors of S.C. Sigma Hotel Management (currently Transilvania Hotels & Travel) backed the irregularities of the activity with an increase potential of registering certain damages to the corporate assets - irregularities ascertained based on the conclusions of the internal and statutory auditors reports, the company in question being on the brink of bankruptcy.

- **Investment funds managed by S.A.I. Certinvest S.A.** - during the meeting of July 2nd, 2015 the Board of the Financial Supervisory Authority refused to approve the intent of S.A.I. Certinvest S.A. to become a direct significant shareholder in the company AXA LIFE INSURANCE S.A. and also opposed the purchase project of S.A.I. Certinvest S.A., grounded by the non-fulfillment of the integrity and reputation criteria, as well as of those of financial solidity of S.A.I. Certinvest S.A. In this business, the company CERTINVEST formulated its desire to hold 70%, and S.I.F. Transilvania 30%. Pursuant to the unfavorable approval of FSA, CERTINVEST requested for S.I.F. Transilvania to hold 70% and Certinvest 30%, but desired for the company to be managed and the operationally administered by Certinvest, request denied by the Executive Board and the Supervisory Board of S.I.F. Transilvania.

2. In the request addressed to the Supervisory Board, the group of shareholders invoke alleged continuous conflicts between the members of the Executive Board and the company shareholders, the alleged lack of transparency, the FSA sanctioning of the Executive Board members, the alleged loss of trust of the shareholders/investors in the members of the Executive Board, alleged fraud evasions committed by the members of the Executive Board in connection with the voting process during GMS of April 2015, and alleged damaged interest of the shareholders. Also, an alleged faulty management of the asset portfolio, the alleged lack of involvement/lack of action in employing professional staff for the management of the hotel portfolio.

As opposed to the opinion of the group of shareholders holding 8.09% of the share capital of S.I.F. Transilvania (but that is set up on the representatives of all the shareholders of S.I.F. Transilvania) we formulate the following:

- the activity of the company was carried out with the observance of the working procedures, both in the investment activity and in the management of the portfolio, the Executive Board presents the Supervisory Board periodic reports and, upon request, reports for the entire activity carried out; following the tasks performed based on the responsibilities assigned, we have not ascertained activities of the Executive Board indicating damages, evasions or non-observance of the legal obligations to organize and convene the general meetings convened by the shareholders;

- the lack of trust in the management of S.I.F. Transilvania is only invoked by the group of shareholders signatory of the convening request. In the supervisory activity we exercised in compliance with statutory and legal provisions, we have ascertained, each time, that the Executive Board observed the legal provisions applicable, ensured the financial and legal stability of the company, constantly fulfilled the provisions of the Revenue Budgets approved by the shareholders, set up an efficient control environment, ensured the efficient administering of the liquidity risk, ensured the organization and carry out of the works for all the general meetings with the observance of the primary and secondary regulations in force, ensured a transparent communication environment with the shareholders and potential investors, accurately and efficiently enforced the principles provided by the Bucharest Stock Exchange Corporate Governance Code.
- with regards to the reputation, integrity and credibility aspects of the shareholders' group requesting the convening of the GMS of S.I.F. Transilvania.
- the "reputation" over time of SAI Certinvest is recognized on the market and confirmed by the market authority through the suspension of its leaders on the capital market (Mr. Eugen Voicu); not even now can see the "good habits" of S.A.I. Certinvest;
- the arguments on the "reputation and integrity" of Mr. Frățilă Constantin are recognized on the market- dozens of lawsuits pending, threats addressed to S.I.F. Transilvania and to the Financial Supervisory Authority, picketing the FSA in April 2015, minority abuse established by definitive court resolutions, company plunders from the portfolio of S.I.F. Transilvania, including during the period holding the capacity of member in the Supervisory Board (his revocation by the GMS coming as the natural penalty solution for the abuse committed);
- after having been revoked by the Supervisory Board for the wrongful fulfillment of his responsibilities as member of the Executive Board, Mr. Toia Radu deemed appropriate to reunite with the group Frățilă and Certinvest friends so as to take revenge on those who revoked him; certainly Mr. Toia Radu does not consider to have exercised a "faulty management", despite having been the only member of the Executive Board revoked by the Supervisory Board; the manner in which Mr. Toia Radu backed the "faulty management" of S.C. Sigma Hotel Management in the capacity of President of the Board of Directors of this company as well as other "involvements" during the period for which he was a member of the Executive Board of S.I.F. Transilvania, on which the Executive Board will inform the market and investors in an efficient manner, is under analysis.

We believe that the tendentious actions of the group of shareholders Frățilă - Toia - Certinvest - joined by others as well - gravely affects the image of S.I.F. Transilvania through the calumnious affirmations that can generate important negative consequences on the company; we notify the market authority and the relevant competent institutions regarding a subtle way to manipulate the market and to decrease the trading prices of SIF3 shares in order to be acquired at a cheaper price.

We assure the shareholders that the members of the Supervisory Board will fulfill their responsibilities both directly during meetings and by their activity within specialty committees and during the tasks carried out through the internal auditor. We reserve the right to take a public stand whenever we will ascertain that unjust accusations addressed to both the management and the company, which may lead to deceiving perceptions with negative consequences on the trading price of the shares.

Moreover, we assure all shareholders and investors that the Executive Board will perform all necessary legal measures in relation to the convening request of the general meeting of shareholders.

**Supervisory Board of S.I.F. Transilvania
by President
Ștefan Szabo**

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