



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

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Societate administrată în sistem dualist

No. 6661 / 21.08.2017

**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: 21.08.2017**

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: Decisions of the Financial Supervisory Authority

S.I.F. Transilvania informs the investors and shareholders that on 18.08.2017, the Financial Supervisory Authority has communicated S.I.F. Transilvania the Resolutions of the F.S.A. Council met on 09.08.2017, following the unannounced inspection carried out by the said institution at S.I.F. Transilvanias's headquarters during 16.02.2017 – 22.02.2017 for the period 12.10.2016 – 15.02.2017 on "the verification of the compliance with the legal and statutory provisions regarding the organization and functioning of the Supervisory Board and of the Executive Board, as well as the implementation of the Decisions issued by the F.S.A. ", through which:

- S.I.F. Transilvania receives a formal notice regarding the list of persons with access to privileged information and the representation of the Company by the signature of a member of the Executive Board accompanied by one of the head of the organizational structure;

- a remedial plan of measures is imposed on S.I.F. Transilvania , as well as the sanctioning with 10,000 lei of a part of the members of the Supervisory Board, respectively Mr. Szabo Stefan, Mr. Carapiţi Dumitru, Mr. Luţac Gheorghe and Mr. Mihalcea Petru, the sanctioning with the same amount of Mr. Mihai Fercală, the sanctioning with 11,000 lei of Mr. Iulian Stan, Executive Vice-President / Deputy CEO, the penalizing with 5,000 lei of six employees and managers of some functional structures of the Company and with 2,000 lei of

Mr. Marius-Adrian Moldovan- former Executive Vice-President / Deputy CEO.

The F.S.A. has sanctioned the members of the Supervisory Board for not acknowledging the conclusions of the F.S.A. Decision no. 1995 / 12.10.2016 and granting, under such circumstances, a new mandate as a member of S.I.F. Transilvania's Executive Board to Mr. Mihai Fercala and allowing him to attend two meetings of the Supervisory Board.

We recall that the F.S.A., through Decision no. 208 / 10.02.2017, has revoked the Decision no. 1995/2016 and endorsed Mr. Mihai Fercală as a member of the Executive Board of S.I.F. Transilvania through Notice no. 51 / 23.02.2017 (Current reports no. 1106 / 13.02.2017; no. 1452 / 23.02.2017 and no. 2656 / 07.04.2017), and that the legal effect of Decision no. 208/2017 is that Decision no. 1995/2016 is dissolved from the date of its adoption.

Mr. Mihai Fercala was sanctioned for allegedly exercising specific duties as a member of the Executive Board during the period subject to the above-mentioned inspection.

Mr. Iulian Stan was sanctioned on the grounds that he has acted as a substitute for the President of the Executive Board without being designated for such purpose and that the F.S.A. was not notified of such mandate during the mandate commenced on 20.04.2016, for the alleged lack of cooperation with the inspection team regarding the reception of professional duties or the providing of professional information to Mr. Mihai Fercala, as well as for failing to demonstrate proof of the submission to the F.S.A. of the registration of the composition of the Executive Board, as endorsed by the ASF Notice no. 264 / 12.10.2016 within 90 days from the date of issue of the above-mentioned Notice; for the latter reason, Mr. Marius Adrian Moldovan was as well sanctioned.

We mention that the notifying of the F.S.A. regarding the replacement of the President of the Executive Board was done on 24.04.2014, and that the registration at the Trade Register Office of the Brasov Tribunal of the composition of S.I.F. Transilvania's Executive Board was carried out in accordance with the individual administrative acts issued by the F.S.A. with regards to the members of the Executive Board.

The penalizing of the Company's employees was substantiated by the alleged lack of cooperation with the inspection team in the sense that they did not acknowledge the receipt of duties from Mr. Mihai Fercala during the controlled period.

Under these circumstances, in order to protect the interests of the Company, the sanctioned persons as well as S.I.F. Transilvania will undertake all the necessary legal endeavors to challenge these individual administrative acts.

Through an subsequent report, S.I.F. Transilvania's Executive Board will explain the nature and real motivation of those sanctions.

Mihai Fercală
Executive President/ C.E.O.

Iulian STAN
Executive vice president/ Deputy C.E.O