



PROPOSAL OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD
for the distribution of the 2017 net profit and the gross dividend per share

- item 4 on the OGMS agenda of 27/28 April 2018 -

The annual financial statements prepared for the financial year 2017 according to IFRS standards, as they are submitted to the approval of the Ordinary General Meeting of Shareholders, include the following data:

- RON -

Net operating income	89,922,942
Total operating expenses	24,918,595
Profit before tax	65,004,347
Income tax	769,793
Net profit to be distributed	64,234,554

The Company's Executive Board and Supervisory Board propose and recommend the Ordinary General Meeting of Shareholders to approve the following distribution of the 2017 net profit:

	Destination	Amount (RON)
1.	Legal reserves	3,250,217.34
2.	Dividends	21,842,866.64 (RON 0.010 /share)
3.	Other reserves – Own financing sources created from profit for carrying out a program for the consolidation of the share nominal value	39,141,470.02
	Total net profit distributed	64,234,554

The gross dividend to be paid for one share held on the record date is of RON 0.010 which represents a yield of 3.95 % related to the average trading price of SIF3 shares on the BVB-REGS market between 01.01.2017 and 31.12.2017.

The proposed value of the gross dividend for the financial exercise 2017:

- is consistent with SIF Transilvania policies regarding the shareholders' remuneration and takes into consideration the effective profit achieved by the Company in accordance with the Revenue and Expenditure Budget provisions;
- takes into consideration both the demand to maintain the shareholders' remuneration through distribution of dividends and the need to implement additional instruments of

remuneration and consolidation of the capital invested – through carrying out a program for the consolidation of the nominal value of the Company's shares;

- represents a yield of 3.95% related to the average trading price of SIF3 shares on the BVB-REGS market between 01.01.2017 and 31.12.2017.

The payment of dividends distributed from the profit achieved in 2017 will be made in accordance with the legal provisions in force. The potential costs related to the payment of dividends shall be borne by the shareholders. The payment methods and the related procedures will be prepared by the Executive Board and brought to the shareholders knowledge through a communique which will be published at least in the national newspaper "Bursa" and on the company website: www.siftransilvania.ro

The shareholders entitled to receive dividends distributed from the 2017 net profit are the ones registered in the consolidated Shareholders' Register on the record date which will be approved by the Ordinary General Meeting of Shareholders, as provided by article 86 of Law no. 24/2017 on issuers of financial instruments and market operations. The Executive Board and the Supervisory Board have proposed the general meeting of shareholders to approve 05.10.2018 as the record date and 26.10.2018, as the payment date.

Supervisory Board

President

Ec. Ștefan Szabo

Executive Board,

Executive President / CEO

Ec. Mihai Fercală, Ph.D.