



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

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Societate administrată în sistem dualist

Nr. 3373/ 05.04.2018

**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: 05.04.2018**

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: Decision of the Financial Supervisory Authority

1. S.I.F. Transilvania informs the shareholders and investors that, through the F.S.A. Decision no. 438 / 05.04.2018, the F.S.A. has ruled - according to art. 1 of this Decision- that:

"Art. 1 – The Executive Board of S.I.F. TRANSILVANIA S.A. has the obligation to adopt, in due time, the necessary measures for the modification and publication in the Official Gazette of Romania, Part I, of the agenda of the O.G.M.S. convened on 27 / 28.04.2018, as follows:

- a) *The supplementation with the proposals in their entirety made by the shareholders of the Company regarding the election of the committee for counting the votes expressed at the O.G.M.S. consisting of 7 members, namely Mielu Dobrin, Florian Serac, Gheorghe Rusu, Gabriela Alexe, Ion Mărleneanu, Dumitru Buţan and Dan Sebastian, with the identification data available at the Company's headquarters*

and

b) Removal of the amendments of the agenda proposed by the Executive Board, which do not comply with the 30-day deadline stipulated by art. 117 par. (2) of Law no. 31 / 1990R, namely:

- *Election of the committee for counting the votes expressed during the O.G.M.S. consisting of five members, namely Mielu Dobrin, Florian Serac, Gheorghe Rusu, Dumitru Buţan and Dan Sebastian, with the identification data available at the Company's headquarters;*
- *Approval of the revocation of Mr. Constantin Frăţilă as a member of the Supervisory Board;*
- *Approval of the revocation of Mr. Crin Valer Andanut as a member of the Supervisory Board."*

2. In regards to the ruling provided by the F.S.A., the Executive Board of S.I.F. Transilvania wishes to show the following:

(i) the F.S.A. request to amend the convening notice of the Ordinary General Meeting of the Shareholders convened on 27/28 April 2018 is formulated in violation of the provisions of **paragraph (6) of art. 92 of Law no. 24/2017** on Issuers of Financial Instruments and Market Operations in conjunction with **paragraph (4) of art. 7 of the N.S.C. Regulation no. 6/2009** *on the exercise of certain shareholders rights in relation to general meetings of shareholders of companies, laws requiring the revised agenda to be published before the reference date.*

In this regard, we would like to recall that:

- on 13.03.2018 the (initial) convening notice of the O.G.M.S. and E.G.M.S convened for 27 / 28.04.2018 was published, in compliance with the provisions of art. 117 paragraph (2) of Law no. 31/1990 *on companies*, corroborated with the provisions of art. 92 of Law no. 24/2017 and art. 4 of the N.S.C. Regulation no. 6/2009;

- on 30.03.2018 the supplemented agenda of the O.G.M.S. and E.G.M.S convened on 27 / 28.04.2018 was republished, in compliance with the provisions of paragraph (3) of art. 117² of the Law no. 31/1990 corroborated with the provisions of paragraph (6) of art. 92 of Law no. 24/2017 and paragraph (4) of art. 7 of the N.S.C. Regulation no. 6/2009;

- The F.S.A. Decision no. 438 / 05.04.2018 is issued in violation of the mandatory terms imposed by the primary, general and special legislation, and by the secondary regulations applicable to the organizing of the convening of a general meeting of shareholders.

(ii) within the supplemented agenda republished on 30.03.2018 for the nomination of the committee for counting the votes the provisions of **paragraph (2) of art. 129 of Law no. 31/1990**, requiring members of such committee to hold the capacity and act as a shareholder, were taken into consideration.

As at 28.03.2018, the date when the group of shareholders filed the request for the supplementation of the agenda, Mr. Ion Mârleanu and Ms. Gabriela Alexe, according to the information available at the headquarters of our company, did not hold the capacity as shareholder of S.I.F. Transilvania S.A., and no proof of such capacity was provided for these persons among the documents attached to the request for the supplementation.

Thus, the F.S.A. Decision which obligates the Executive Board of S.I.F. Transilvania to include on the agenda, as subject to approval by the shareholders, a committee for counting the votes of persons who do not meet the legal requirements, **violates the imperative provisions** of paragraph (2) of art. 129 of Law no. 31/1990.

(iii) Within its Decision no. 4438 / 05.04.2018, the Authority underlines the possibility for the Executive Board to supplement the agenda of an already convened general meeting, but requests, through an incorrect reference to the provisions of **Art. 117 paragraph (2) of Law no. 31/1990**, the removal of some items on the revised agenda of O.G.M.S. convened on 27 / 28.04.2018.

We would like to point out that the publication of the convening of the O.G.M.S for 27 / 28.04.2018 was made in compliance with the provisions of paragraph (2) of art. 117 of Law no. 31/1990 corroborated with paragraph (1) of art. 92 of Law no. 24/2017 and art. 4 of

the N.S.C. Regulation no. 6/2009, respectively more than 30 days before the date of the meeting.

The right of the persons entitled to supplement an O.G.M.S agenda shall be exercised within 15 days from the date of the notice publication.

In turn, the republication of the agenda, according to the mandatory provisions of paragraph (3) of art. 117¹ of Law no. 31/1990 corroborated with paragraph (6) of art. 92 of Law no. 24/2017 and paragraph (4) of art. 7 of the N.S.C. Regulation no. 6/2006 is made before the reference date, at least 10 days before the general meeting.

Thus, through the F.S.A. decision no. 438 / 05.04.2018, which includes a recalling of a decision of the Bucharest Court of Appeal which resolves a different matter from the situation at hand taken into consideration by the F.S.A., an erroneous application of the mandatory legal provisions is made.

3. In view of the above, we would like to point out that the Authority – in its Decision no. 438/05.05.2018- makes no reference to the specific legal texts applicable to the organizing of the aforementioned general meeting, including its own regulations, while the texts cited from Law no. 31/1990 do not apply to the situations taken into account in this decision.

We recall that the Financial Supervisory Authority, according to its Notice no. 66 / 16.12.2009, does not administer the provisions of Law no. 31/1990.

The terms of the procedure for convening a general meeting, including the supplementation of the agenda, are mandatory terms, applicable to all- including the F.S.A.- are regulated in favour of the shareholders registered in the Shareholders' Registry at the reference date, shareholders that are entitled to be informed of the items that will be discussed during the general meeting and for which they will exercise their right to vote- according to the law, and the only ones that hold the right to complain in front of a court about a possible breach of the rights derived from a shareholder's capacity.

The request for the modification of the revised agenda through the F.S.A. Decision no. 438 / 05.04.2018, constitutes an arbitration item between the shareholders and the Executive Board regarding the term within which the two parties may make proposals for supplementing the agenda, right that shall be determined by a court of law; the F.S.A. applies the legal provisions regarding the supplementation of the agenda of the O.G.M.S. in a different manner with respect to the persons entitled to request the supplementation of the agenda of an already convened meeting.

4. The Company's Executive Board will formulate and file a preliminary complaint against the F.S.A. Decision. no. 438 / 05.04.2018 and will request the competent court to suspend the effects of this decision.

Mihai Fercală
Executive President/ C.E.O.

Iulian Stan
Executive Vice President/Deputy CEO

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