



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

CURRENT REPORT

**According to the Law no. 24/2017 and the N.S.C. Regulation no. 1/ 2006
Report date: 19.04.2018**

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

LEI Code (Legal Entity Identifier): 254900E2IL36VM93H128

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: Supervisory Board's opinion on the supplementation of the OGMS agenda of 27/28 April 2018

The majority of the Supervisory Board members disassociate themselves from the two Board members – Mr. Constantin Fratila and Mr. Crinel Valer Andanut – who have requested the supplementation of the agenda of the ordinary general meeting of shareholders convened on 27/28 April 2018 with an item regarding the commencement of liability proceedings against the President of the Executive Board – Mr. Mihai Fercala - for alleged abuses which have not been demonstrated nor discussed within the Supervisory Board.

It is notorious that the “Frăţilă Group” has been in conflict over the last four years with the President of the Executive Board – Mr. Mihai Fercala, seeking his removal from S.I.F. Transilvania's leadership, on the grounds that he has refused to subordinate the Company's interests to the group's goals.

The civil litigations initiated by the Company, through the President of the Executive Board, to recover the damages incurred in the case of two companies in S.I.F. Transilvania's portfolio, namely COMCM S.A. and SCUT S.A. Constanta and the criminal complaints to the prosecutor's office attached to the Constanta and Brasov Tribunals and to the Constanta D.I.I.C.O.T., which have been connected with the criminal complaints submitted by the F.S.A. against the same group, for fraudulent transactions on the capital market, have determined the members of this group to seek any possible way to remove Mr. Mihai Fercala from the Company's leadership . The OGMS convened on 27/28 April 2018 provides them with the opportunity of a special tactic - the commencement of liability proceedings against the Executive President which may block the steps to recover the damages incurred by this group on S.I.F. Transilvania's portfolio.

As representatives of the shareholders, elected by the OGMS held in April 2017 as members of the Supervisory Board, we wish to inform the shareholders, the capital market institutions and the other authorized institutions that we support, without any reserves, the President of the Executive Board

of S.I.F. Transilvania in all of his actions. We recommend the shareholders not to approve the commencement of the liability proceedings against Mr. Mihai Fercala, thereby defeating the desperate attempt of the “Fratila group” against the general interest of S.I.F. Transilvania and of its shareholders.

Mr. Mihai Fercala is one of the renowned experts of the Romanian capital market, with thorough and long-term theoretical and practical training, holding a Ph.D. in investment funds management; he has been leading the Company since its inception and has achieved sound results for the shareholders, while being a pioneer in certain specific initiatives, with merits recognized by several capital market institutions through the awards granted to him.

The majority of the Supervisory Board members have requested the Financial Supervisory Authority, on well-grounded reasons, to withdraw the approval granted to its two members – Mr. Constantin Fratila and Mr. Crinel Valer Andanut - for serious conflict of interests between them and S.I.F. Transilvania shareholders.

We are convinced that S.I.F. Transilvania shareholders will not let themselves be misled by this group whose interests are contrary to the Company’s general objectives and that they will sanction- through their vote- the actions intended to mislead the shareholders, by approving the revocation of the two Board members, according to the proposal of the Executive Board included on the agenda of the ordinary general meeting of shareholders convened on 27/28 April 2018, thereby ensuring the observance of the legal provisions and the defence of the general interest of S.I.F. Transilvania and of its shareholders.

Ştefan Szabo
President of the Supervisory Board

Dumitru Carapiti
Vice President of the Supervisory Board

Iulian Stan
Executive Vice President/Deputy C.E.O.