



Nr. 1496/18.02.2019

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

**CURRENT REPORT**

**According to Law no. 24/2017 and F.S.A. Regulation no. 5/2018**

**Report date: 18.02.2019**

S.I.F. Transilvania S.A.

Headquarters: 2, Nicolae Iorga Street, Brasov 500057

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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:** Shareholders information on the EGMS convened for 6/7 March 2019

I. Following the Current Report no. 327/14.01.2019 regarding the convening of the Extraordinary General Meeting of Shareholders on 6/7 March 2019, S.I.F. Transilvania informs the shareholders and investors that on 14.02.2019 it has received the F.S.A. Letter no. VPI 939/13.02.2019, registered at our company under no. 1369/14.02.2019, whose content is presented below:

*"Considering:*

*- the current report drafted by S.I.F. Transilvania S.A. and published on the BVB website on 14.01.2019 regarding the convening of the E.G.M.S. on 06/07.03.2019 which will have on the agenda, among others, " Approval of a buy-back program of the Company's own shares in order to reduce the share capital, in accordance with the applicable legal provisions, according to article 207 paragraph (1) letter c) corroborated with article 104 paragraph (1) letter a) of Law 31/1990";*

*- the current report of 31.01.2019 regarding the publishing on the company's website of the information materials pertaining to the items on the agenda and of the draft resolution of the previously mentioned EGMS,*

*we communicate you the following:*

*The shares issued by COMCM S.A. have been suspended from trading on the capital market starting with 10.09.2014, this measure being adopted by the F.S.A. in order to protect the interests of the good faith shareholders/investors. Therefore, at the moment, the COMCM S.A. shares are suspended from trading, measure that produces effects on all the market segments administered by the market operator, including the special section of the B.V.B. dedicated to public offerings.*

*Under these circumstances, in the absence of the clarification of the company's situation and its re-entry into trading, the shares issued by COMCM S.A. cannot be subject of a public offering.*

*Regarding the condition for the successful completion of the public offer of redemption "in the situation of full capitalization of the share package offered for exchange (according to the "all or nothing" principle)", we specify that, according to the provisions of art. 54 par. (1) of Regulation no. 5/2018, the bid is irrevocable for the entire period of its execution.*

*Thus, the insertion in the offer document of a clause conditioning the closing of the public offering of redemption by the full subscription of the shares offered for exchange by S.I.F. TRANSILVANIA S.A. is not in compliance with the legal provisions on the irrevocability throughout the entire period of the above-mentioned public offering.*

*Considering the above mentioned, we ask you to ensure that the investors are promptly informed of the above and to take the necessary measures to comply with the legal provisions in force. "*

II. In respect to those requested within the letter presented above, in order to provide the shareholders and investors with accurate and complete information, the Executive Board of S.I.F. Transilvania presents below its opinion on the issues presented and requested by the F.S.A., aspects that have already been communicated to the Authority.

The company COMCM S.A. Constanța, through the F.S.A. Decision no. 1207/10.09.2014, under the provisions of art. 137 par. (1) of Law no. 297/2004 (in force at that time) has been suspended from trading **until the clarification of the company's situation with respect to the Resolutions of the O.G.M.S. convened for 07/08.09.2014.**

1. Following the convening of the O.G.M.S. of COMCM S.A. Constanța for 07/08 September 2014, two meetings took place, as follows:

(i) on 7 September 2014, on the first call, the O.G.M.S. was organized with the participation of our company in the capacity as majority shareholder, during which some resolutions have been adopted, including the resolution regarding the election of the members of the Board of Directors of COMCM S.A. Constanța and

(ii) on 8 September 2014, on the second call, a second O.G.M.S. was organized with the participation of only the minority shareholders holding together approx. 40% of the issuer's share capital, during which some resolutions have been adopted, including the resolution regarding the election of the members of the Board of Directors of COMCM S.A. Constanța, with a composition different than the one established by the O.G.M.S. held on 7 September 2014.

2. The two O.G.M.S. resolutions adopted on 07.09.2014 and 08.09.2014 have been / are the subject of litigations, as set out below:

**(i) The O.G.M.S. Resolution of 7 September 2014**

Suspension of the enforcement of the resolution

Through the **Civil Sentence no. 2679/07.10.2014**, issued by the Constanta Tribunal in File no. 6661/118/2014, the Court ordered the suspension of the enforcement of the O.G.M.S. Resolution of COMCM S.A. dated 07.09.2014, until the settlement of the action subject to File no. 6660/118/2014.

The appeal filed against the Civil Sentence no. 2679/07.10.2014 has been rejected for lack of interest by the Constanta Court of Appeal, through **the Civil Decision no. 219/CA din 27.04.2015.**

Annulment of the resolution

Through the **Civil sentence no. 185/09.03.2017**, issued by the Constanta Tribunal in File no. 6660/118/2014, the Court found the absolute nullity of the O.G.M.S. Resolution of COMCM S.A. of 07.09.2014.

The next hearing established for the settlement of the appeal filed against the Civil Sentence no. 185/2017 is 25.02.2019.

**(ii) The O.G.M.S. Resolution of 8 September 2014**

Suspension of the enforcement of the resolution

Through the **Civil Sentence no. 3161/13.11.2014**, issued by the Constanta Tribunal in File no. 7399/118/2014/a1, the Court ordered the suspension of the enforcement of the O.G.M.S. Resolution of COMCM S.A. dated 08.09.2014, until the settlement of the request for the annulment of said resolution which is subject of File no. 7399/118/2014.

Through the **Civil Decision no. 219/CA din 27.04.2015** issued by the Constanta Court of Appeal, the Court found that the appeal against the Civil sentence no. 3161/2014 is obsolete.

Annulment of the resolution

Through the **Civil sentence no. 1/03.01.2019**, issued by the Constanta Tribunal in File no. 7399/118/2014 (Annex no. 6), the Court found the absolute nullity of item 11 of the O.G.M.S. Resolution of COMCM S.A. dated 08.09.2014. The decision has not been communicated until the present date.

**3.** From the information presented above it results that, through the effect of the court rulings, the O.G.M.S. resolutions adopted on 7 and 8 September 2014 have not produced any effects.

**4.** The election of the Board of Directors of COMCM S.A. was the object of several general meetings after 8 September 2014.

We wish to point out that through the O.G.M.S. Resolution of 14 May 2017 a new Board of Directors of COMCM S.A. was elected through the cumulative vote method. The meeting was convened by our company following the authorization for the O.G.M.S. convening granted through the Civil sentence no. 1457/28.06.2016, issued by the Constanta Tribunal in File no. 1968/118/2016.

Through the O.G.M.S. Resolution dated 14 July 2017, a new Board of Directors of COMCM S.A. Constanța has been elected through the cumulative vote method.

This Board was registered with the Trade Register and functioned as such within the period 14.07.2017-25.04.2018.

A new O.G.M.S. was held on 29.12.2018 at S.I.F. Transilvania's request, during which a new Board of Directors of COMCM S.A. Constanța was elected through the cumulative vote method. The Board of Directors of COMCM S.A. Constanta elected on 29.12.2018 was registered with the Trade Register. Under these circumstances, the F.S.A. has to request the Board to take the necessary steps in order for the measure to suspend the shares issued by this issuer from trading to be withdrawn.

We mention that the measure for the suspension from trading of the shares issued by COMCM S.A. no longer has legal grounds, causing major damages over these four years of trading suspension, both for the majority shareholder and the other shareholders, seriously affecting the right of disposal over the ownership of the shares.

5. In view of the above, we emphasize that **the reasons that grounded the F.S.A. Decision no. 1207/10.09.2014** whereby the shares issued by COMCM S.A. have been suspended from trading are no longer valid, therefore S.I.F. Transilvania asked the F.S.A. to issue an individual administrative act as a result of which the shares issued by COMCM S.A. Constanta be resumed to trading.

**All the information presented above is known by the F.S.A, as a result of the monitoring of COMCM S.A., both from the correspondence our company has had with this institution and from the current reports published by the issuer and, as a result of the finding of the non-fulfilment of the information obligation by COMCM S.A. according to the law, the necessary measures were legally ordered through the F.S.A. Decisions nos. 1297 and 1301 of 29.06.2016.**

6. In view of the issues presented at the end of the F.S.A. Letter no. 939 / 13.02.2019 regarding the irrevocability of the public offer for redemption, we point out that the provisions of the E.G.M.S. resolution will be strictly observed when drafting the prospectus, provided that the shareholders approve the operation subject to approval, and, according to the law, the public offer that will be carried out in order to implement the E.G.M.S. Resolution **shall be irrevocable during the entire period of its execution**, according to the prospectus that will be submitted for the F.S.A. approval, also complying with the provisions of art. 1191 of the Civil Code and, in the event of oversubscription, the allocation will be made pro-rata, according to the draft resolution subject to the shareholders' approval.

Mihai Fercală  
Executive President/CEO

Iulian Stan  
Executive Vice President/Deputy CEO

Stefan Szitas  
Member of the Executive Board/Director

Marcus Valeriu Marin  
Compliance Office