



No. 2721/26.03.2019

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: 26.03.2019**

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: F.S.A. Decisions**

1. S.I.F. Transilvania informs the shareholders and investors that on 25.03.2019 the F.S.A. communicated to our company the Decisions no. 422, 424 and 425 of 25.03.2019 (available on the website [www.bvb.ro](http://www.bvb.ro), under SIF3 symbol) through which the Executive Board members have been sanctioned because „*following the analysis of the documents pertaining to the O.G.M.S. [held on 27.04.2018 - our note] (convening notice, ballot papers etc) published by S.I.F. Transilvania S.A., it was find that the obligation imposed through the F.S.A. Decision no. 438/05.04.2018 had not been fulfilled*”.

2. We remind that, according to the information presented in the Current Report no. 3373/05.04.2018, through Decision no. 438/05.04.2018, the F.S.A. ordered the Company's Executive Board, according to art. 1 of this Decision, as follows:

*"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 amendment and publication in the Official Gazette of Romania, Part IV, of the agenda of the O.G.M.S. convened for 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 Buțan and Dan Sebastian, with the identification data available at the Company's headquarters;  
- Approval of the revocation of Mr. Constantin Frățilă as a member of the Supervisory Board;  
- Approval of the revocation of Mr. Crin Valer Andanut as a member of the Supervisory Board."

3. We mention that in the preliminary complaint filed against the F.S.A. Decision no. 438/05.04.2018, complaint rejected by the F.S.A. through Decision no. 475/18.04.2018, we pointed out that the reference date set for the Ordinary General Meeting of Shareholders convened for 27/28 April 2018 was 02.04.2018, aspect which made the F.S.A. request to amend the convening notice to be unfeasible, because the mentioned decision was issued in violation of the provisions of **par. (6) of art. 92 of Law no. 24/2017 on issuers of financial instruments and market operations** corroborated with **par. (4) of art. 7 of the N.S.C. Regulation no. 6/2009 on the exercise of certain shareholders rights in relation to the general meetings of shareholders of companies, laws requiring the revised agenda to be published before the reference date.**

In this respect, 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 par. (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 agenda of the O.G.M.S. and E.G.M.S convened for 27/28.04.2018 was republished, in compliance with the provisions of par. (3) of art. 117<sup>2</sup> of Law no. 31/1990, corroborated with the provisions of par. (6) of art. 92 of Law no. 24/2017 and par. (4) of art. 7 of the N.S.C. Regulation no. 6/2009;

- **the reference date** set for this O.G.M.S. was **02.04.2018**;

- 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 convening of a general meeting of shareholders.

4. Within the agenda republished on 30.03.2018, for the nomination of the committee for counting the votes there were taken into consideration the provisions of **par. (2) of art. 129 of Law no. 31/1990** which require the committee to be consisted of maximum three members who hold the capacity as shareholder

As at 28.03.2018, the date when the group of shareholders filed the request for the supplementation of the agenda, Mr. Ion Mărleneanu 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 which comprises persons who do not meet the legal requirements, **violates the imperative provisions** of par. (2) of art. 129 of Law no. 31/1990.

5. Within the F.S.A. Decision no. 438/05.04.2018, the Authority underlines the possibility for the Executive Board to supplement the agenda of an already convened general meeting of shareholders, but requests, through an incorrect reference to the provisions of art. 117 par. (2) of Law no. 31/1990, the removal of some items included on the revised agenda of the O.G.M.S. convened for 27/28.04.2018.

We would like to point out that the publication of the convening notice of the O.G.M.S for 27/28.04.2018 was made in compliance with the provisions of par. (2) of art. 117 of Law no. 31/1990 corroborated with par. (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, including the F.S.A., to supplement the agenda of a general meeting of shareholders shall be exercised within 15 days from the date of the notice publication.

In turn, the republication of the agenda, according to the imperative provisions of par. (3) of art. 117<sup>1</sup> of Law no. 31/1990 corroborated with par. (6) of art. 92 of Law no. 24/2017 and par. (4) of art. 7 of the N.S.C. Regulation no. 6/2009 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 imperative legal provisions is made.

6. In view of the above, we would like to point out that the Authority – in its Decisions no. 438/05.05.2018 and 475/18.04.2018 - makes no reference to the specific legal texts applicable to the organizing of the aforementioned general meetings, including its own regulations, while the texts cited from Law no. 31/1990 do not apply to the situations taken into account in these decisions.

The time-limits for convening a general meeting, including for supplementing the agenda, are mandatory time-limits, applicable to all - including to the F.S.A.- which are regulated in favor 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 upon which they will exercise their voting right- according to the law, and the shareholders are only ones entitled to complain in front of a court about a possible breach of the rights derived from a shareholder's capacity.

The request to amend 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 time-limit 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 general meeting of shareholders in a different manner with respect to the persons entitled to request the supplementation of the agenda of an already convened meeting, respectively:

(i) when referring to the shareholders' right to supplement the agenda of the general meeting of shareholders convened by the Executive Board, the F.S.A. correctly refers to the provisions of art. 117<sup>1</sup> of Law no. 31/1990, which regulates the right to supplement the agenda of the general meeting of shareholders within 15 days from the date of the notice publication;

(ii) on the other hand, when analyzing the right of the Executive Board to supplement the agenda of that general meeting of shareholders, the F.S.A. erroneously refers to the provisions of art. 117 of Law no. 31/1990, text dedicated to the initial convening notice of a general meeting of shareholders (and not dedicated to the supplementation of the agenda), which requires a time-limit of minimum 30 days between the date of the notice publication and the date of the general meeting.

In other words, the time-limit for **convening** the general meeting of shareholders cannot be applied for **supplementing** the agenda; the legal provisions regarding the supplementation of the agenda of the general meeting of shareholders are the same for all entitled persons (shareholders, Executive Board, F.S.A.!), and not differentiated, as the F.S.A. erroneously considers.

7. We recall that S.I.F. Transilvania requested the annulment of the F.S.A. Decision no. 438/05.04.2018, the action before the administrative court was dismissed by the Bucharest Court of

Appeal through Sentence no. 578/15.02.2019, issued in File no. 2945/2/2018; the judgement is not final.

8. S.I.F. Transilvania and the Executive Board members will formulate and file a preliminary complaint against the F.S.A. Decisions no. 422, 424 and 425 of 25.03.2019 and will request the competent court to suspend the effects of these decisions.

Iulian Stan  
Executive Vice President/Deputy CEO

Stefan Szitas  
Member of the Executive Board/Director

Marcus Valeriu Marin  
Compliance Office