



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

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Societate administrată în sistem dualist



No. 1921/09.03.2020

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: 09.03.2020

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 216,244,379.70
Regulated market on which the issued securities are traded: Bucharest Stock Exchange (ticker: SIF3)

Important event to be reported: Modification of the proposal regarding the value of the gross dividend per share, modification of the text of the O.G.M.S. convening notice

S.I.F. Transilvania informs the shareholders and investors that in the meeting dated 09.03.2020, the Company's Executive Board decided to revise the proposal regarding the distribution by destination of the net profit achieved in the financial year 2019, in the sense of increasing the gross dividend value per share, RON 0.0200/share to RON 0.0300 / share. The revised proposal is available on the company's website, under the section *O.G.M.S. April 2020*.

We present below the modified text of the O.G.M.S. convening notice, that will be published according to the legal provisions.

The Executive Board of Societatea de Investitii Financiare Transilvania S.A.,

headquartered in Braşov, 2 Nicolae Iorga Street, Braşov County (hereinafter referred to as "*the Company's headquarters*"), registered with the Trade Register Office attached to the Braşov Tribunal under no. J08/3306/1992, with Fiscal Registration Code RO3047687 (hereinafter referred to as "*the Company*"), hereby convenes the **Ordinary General Meeting of Shareholders** (hereinafter referred to as "*OGMS*") for **28.04.2020, 10:00 a.m.**

The meeting will take place in Braşov, 27 Eroilor Boulevard, at Aro Palace Hotel - Europe Hall.

If the conditions of validity are not met on the first convening date, the OGMS is convened for **29.04.2020**, at 10:00 a.m., at the same venue and with the same agenda.

The convening is carried out in compliance with the provisions of Law 297/2004 *on capital market*, as further amended and supplemented (hereinafter referred to as "*Law 297/2004*"), Law 24/2017 *on issuers of financial instruments and market operations* (hereinafter referred to as "*Law 24/2017*"), the NSC/FSA regulations issued for the enforcement of the above-mentioned laws, Law

31/1990 on companies, republished in 2004, as further amended and supplemented (hereinafter referred to as "Law 31/1990") and the Company's Articles of Incorporation.

The Company's share capital consists of 2,162,443,797 registered and indivisible shares, of equal value, issued in dematerialized form. Each share grants the right to one vote in the general meeting of shareholders. The information regarding the number of shares with suspended voting rights will be made public on the Company's website no later than the date of the general meeting, by posting the FSA decision on the suspension of the exercise of voting rights, issued, if applicable, according to art. 286¹ paragraphs (1) and (2) of Law no. 297/2004 and the N.S.C. Instruction no. 6/2012.

The shareholders entitled to attend and vote in the general meeting of shareholders are those who will be registered in the Shareholders' Register at the end of **30.03.2020**, set as the **reference date**.

I. The Ordinary General Meeting of Shareholders will have the following agenda:

1. Election of the meeting secretariat comprised of three members, namely Mr. Mielu Dobrin, Mr. Florin Serac and Mr. Mihai Chiper, identified with the data available at the Company's headquarters, in charge of verifying the shareholders attendance, completing the formalities required by law and the Articles of Incorporation for the unfolding of the general meeting, counting the votes expressed during the general meeting; the meeting minutes will be drafted with the assistance of Mr. Dragoş Călin, employee of the Company;
2. Discussion and approval of the annual financial statements, namely the Statement of financial position, the Statement of profit or loss and other comprehensive income and the Explanatory notes to the annual financial statements prepared for the financial year 2019, based on the reports presented by the Executive Board, the Supervisory Board and the (statutory) Financial Auditor;
3. Approval of the distribution of the net profit achieved in the financial year 2019 and setting of the gross dividend value per share at **RON 0.0300 /share**;
4. Approval of the commencement of the liability action against Mr. Constantin Frăţilă for damages brought to S.I.F. Transilvania S.A. amounting to approximately RON 4.48 million, resulting from the activity he carried out within the company and its subsidiaries; these damages may be supplemented with any other amounts that will be deemed as representing material or reputation damages brought to the company;
5. Approval of the commencement of the liability action against Mr. Crinel-Valer Andănuţ, member of the Supervisory Board for damages brought to S.I.F. Transilvania S.A. amounting to RON 224,019.64, representing the amount paid to the statutory auditor for drafting the Additional Report of 13.08.2018, amount that may be supplemented with any other amounts that will be deemed as representing material or reputation damages brought to the company;
6. Approval of the commencement of the liability action against Mr. Marius Adrian Moldovan, member of the Supervisory Board for damages brought to S.I.F. Transilvania amounting to EUR 302,016, amount that may be supplemented with any other amounts that will be deemed as representing material or reputation damages brought to the company;
7. Appointment of Mr. Mihai Fercală and Mr. Dragoş Călin as the authorized persons to bring to court, together or separately – as they consider appropriate, at the expense of the company, the liability actions against Mr. Constantin Frăţilă, Mr. Crinel-Valer Andănuţ and Mr. Marius Adrian Moldovan;
8. Approval of the liability discharge of the Executive Board members and of the Supervisory Board members for the activity performed in the financial year 2019;

9. Discussion and approval of the revenue and expenditure budget for 2020 and of the investment program for 2020;
 10. Approval of **14.07.2020** as the **record date** (ex-date **13.07.2020**), according to the applicable legal provisions, for the identification of the shareholders who are subjected to the effects of the OGMS resolutions and approval of **03.08.2020** as the **payment date**;
 11. Authorizing of Mr. Mihai Fercală- Executive President/CEO to sign the OGMS Resolution and to carry out the formalities for the publication and registration thereof.
- II. The proposal for the approval of the commencement of the liability actions, included under items 4, 5 and 6 of the agenda takes into account the following:

(i) Regarding to the commencement of the liability action against Mr. Constantin Frățilă:

As a result of the activity which is subject of a series of criminal files in which the offenses of market manipulation and tax evasion committed by Mr. Constantin Frățilă in connection with S.I.F. Transilvania and its subsidiaries are being investigated, S.I.F. Transilvania has incurred - directly and indirectly - damages of approximately RON 4.48 million; the exact amount of these damages will be determined by an expert and specialized report, which will determine the actual damages amount derived from the actions he carried out within the company and especially within its subsidiaries; said damages may be supplemented by any other amounts that will be deemed as representing material or reputation damages brought to the company.

The amount presented above may be supplemented with reputation damages incurred by the company due to the blocking of the activity of the Supervisory Board, the participation in the false drafting of some resolutions of the Supervisory Board, the undertaking of meetings parallel to the meetings legally organized by the Supervisory Board, the violation of the Company's Articles of Incorporation and the regulations on the functioning of the Supervisory Board and the submission of unfounded and tendentious notifications to the F.S.A.

(ii) Regarding to the commencement of the liability action against Mr. Crinel-Valer Andănuț;

As a member of the Supervisory Board, Mr. Crinel-Valer Andănuț has the legal, statutory and contractual obligation to exercise this function in good faith and loyalty to the company. Therefore, he had the responsibility to gather information, in an exact and complete manner, about the company's activity, in the carrying out of the mission to supervise the activity of the Executive Board. In breach of this obligation, on 28.03.2018, along with other shareholders, he asked the statutory auditor to draw up an additional report in order to *"analyse under all relevant legal, financial and fiscal aspects the setting up of the company S.I.F. Transilvania Project Management Company S.A. and the transfer of the non-operational companies undergoing insolvency, bankruptcy or voluntary dissolution procedure, from S.I.F. Transilvania portfolio to S.I.F. Transilvania Project Management Company S.A."* The Statutory Auditor's Report found that the denounced operations were compliant with the legal and statutory provisions. Under these circumstances, had Mr. Crinel-Valer Andănuț loyally and in good faith exercised his mandate as a member of the Supervisory Board and had he thoroughly gathered information on the operations denounced to the statutory auditor, he would have reached the same conclusions as those presented by the auditor. The statutory auditor's fee for drawing up the additional report amounted to RON 224,019.64, amount that would not have been paid had Mr. Crinel-Valer Andănuț loyally and in good faith exercised his mandate of member of the Supervisory Board.

The amount presented above can be supplemented with reputation damages incurred by the company as a result of the blocking of the Supervisory Board activity, the participation in the false drafting of some resolutions of the Supervisory Board, the undertaking of meetings parallel to the meetings legally organized by the Supervisory Board, the violation of the Articles of Incorporation of the company and the Regulations on the functioning of the Supervisory Board, the submission of unfounded and tendentious/prejudicial notifications to the F.S.A., the stance taken during the

meetings of the Supervisory Board of expressing their vote as „against” or „abstaining” in most cases, in contempt of the due diligence requirements assumed through the management contract, without presenting a thorough and lawful justification of expressing such a vote, stance taken only to create the possibility of unjustifiably denouncing the activity of the company.

(iii) Regarding to the commencement of the liability action against Mr. Marius Adrian Moldovan:

As a result of Marius Adrian Moldovan’s advocacy, S.I.F. Transilvania has invested in the The Foundation Feeder (TFF) fund that was going to make investments mainly in companies in the information technology sector.

Marius Adrian Moldovan, as a member of the Advisory Board on behalf of S.I.F. Transilvania- as investor in the fund, carried out a totally inadequate activity, did not monitor the accomplishment of the investment strategy initially proposed to the shareholders, did not present real information to S.I.F. Transilvania regarding the underperforming management of the fund, this misinformation and lack of diligence damaging S.I.F. Transilvania with the amount of 302,016 Euro.

The loss was stopped by the decision of the Executive Board which ceased the subscriptions within the fund (83% of the 2 million Euro amount advocated for by Marius Adrian Moldovan was not subscribed); It is worth mentioning that Marius Adrian Moldovan continued to support the investment, to the detriment of S.I.F. Transilvania, despite the fact that any additional amount invested would have resulted in additional losses.

The amount presented above can be supplemented with reputation damages incurred by the company as a result of the blocking of the Supervisory Board activity, the participation in the false drafting of some resolutions of the Supervisory Board, the undertaking of meetings parallel to the meetings legally organized by the Supervisory Board, the violation of the Articles of Incorporation of the company and the Regulations on the functioning of the Supervisory Board, the submission of unfounded and tendentious/prejudicial notifications to the F.S.A., the stance taken during the meetings of the Supervisory Board of expressing their vote as „against” or „abstaining” in most cases, in contempt of the due diligence requirements assumed through the management contract, without presenting a thorough and lawful justification of expressing such a vote, stance taken only to create the possibility of unjustifiably denouncing the activity of the company.

(iv) The reasons listed above will be supplemented with additional ones that will be presented within the informative materials prepared for the general meeting of shareholders.

III. Adding new items to the OGMS agenda. Requirements. Deadline. One or more shareholders representing individually or jointly at least 5% of the share capital, under article 92 of Law 24/2017, has/have the right: **(i)** to add items to the agenda of the general meeting provided that each item is accompanied by a justification or by a draft resolution proposed for approval by the general meeting and **(ii)** to present draft resolutions for the items added or proposed to be added to the agenda of the general meeting.

The request to supplement the agenda formulated by shareholders must fall within the legal powers of the OGMS and meet the following conditions:

- (i) the request shall be made only in written, no later than **25.03.2020**, 10:00 a.m. by submitting the documents in original at the Company’s headquarters or by sending them by email at siftransilvania@siftransilvania.ro with an incorporated extended electronic signature (according to Law 455/2001 *on electronic signature*);
- (ii) the capacity as shareholder, in the case of natural persons and the capacity as legal representative, in the case of legal entities or entities without legal personality shall be ascertained on the basis of the List of shareholders received by the company from the central depository (Depozitarul Central) or on the basis of the documents issued by the central

depository or by the participants providing custody services, respectively the account statement indicating the capacity as shareholder and the number of shares held and the documents attesting the registration of the information on the legal representative at the central depository or at the respective participants, as the case may be;

- (iii) each new item proposed to be added to the agenda shall be accompanied by a justification and by a draft resolution submitted to the OGMS for approval.

Should the exercise of the right to add new items to the agenda determines the change of the OGMS agenda that has already been communicated to shareholders, the Company will make available a new agenda using the same procedure as the one used for the initial agenda, before the reference date set for this OGMS, in such a way that the entitled shareholders are notified of this change.

The documents presented by shareholders in a foreign language (except for the identity documents and documents drafted in English) shall be accompanied by a translation into Romanian or English carried out by a certified translator.

IV. Documents pertaining to the OGMS

Starting with 06.03.2020 (the publishing date of the convening notice in the Official Gazette of Romania), the following documents will be available to the shareholders at the Company's headquarters and on its website: the annual financial statements prepared for 2019 (unaudited), the annual reports of the Executive Board and the Supervisory Board for the financial year ended 31 December 2019 and the proposal regarding the distribution of the 2019 net profit.

The final form of the documents listed in the previous paragraph, as well as the other documents pertaining to the items on the agenda, including the revenue and expenditure budget for 2020, the investment program for 2020, the financial auditor's report (statutory), the procedure for voting by proxy and by correspondence, including by electronic means, established by the Executive Board, and the draft resolution of the general meeting will be available starting with 30.03.2020, on working days, between 9:00 a.m. and 3:00 p.m. at the Company's headquarters and on its website: www.siftransilvania.ro, under the "OGMS April 2020" section.

The shareholders may obtain from the Company's headquarters, upon request and for a fee, copies of the documents pertaining to the items included on the agenda, or they can print them from the Company's website.

V. Voting by correspondence. Powers of attorney. Attending the OGMS. The shareholders registered in the Shareholders' Register on the reference date may attend the OGMS in person or may be represented by other persons, based on a special or general power of attorney, or they may vote by correspondence or by electronic means, according to the procedures to be published on the Company's website, under the "OGMS April 2020" section.

(i) Voting by correspondence. The shareholders registered in the Shareholders' Register on the reference date may vote by correspondence before the general meeting by using ballot papers, in accordance with article 92 of Law 24/2017.

The ballot papers forms for the shareholders holding at least 1,000 shares will be mailed by the Company to the addresses mentioned in the Shareholders' Register starting with 09.04.2020. The ballot papers forms for the shareholders holding less than 1,000 shares will be available starting with 30.03.2020, on working days, from 9:00 a.m. to 14:00 p.m., at the Company's headquarters and at the Bucharest branch office, at the addresses mentioned at the end of the convening notice.

The shareholders registered in the Shareholders' Register on the reference date may also vote before the general meeting by electronic means, by accessing the Company's website www.siftransilvania.ro, the "Electronic Voting" section.

The procedure for voting by correspondence, including by electronic means, established by the Executive Board, will be presented in the information materials that will be made available to the shareholders on the Company's website, under the "OGMS April 2020" section.

(ii) Powers of attorney. The shareholders registered in the Shareholders' Register on the reference date may be represented at the OGMS by another person based on a *Special Power of Attorney*. A shareholder may designate a single person to represent them and an alternate representative for the situations where the designated representative is unable to fulfill their mandate. A shareholder is allowed to grant a Special Power of Attorney to a single representative.

The special powers of attorney forms valid for the OGMS will be available at the Company's headquarters and at the Bucharest branch office starting on 30.03.2020, on working days, from 9:00 a.m. to 15:00 p.m.

The shareholders representation in the general meeting by other persons can also be made on the basis of a *General Power of Attorney*, accompanied by a Declaration on own responsibility given by the legal representative of the intermediary (defined according to article 2, paragraph (1) entry 20 of Law 24/2017) or by the attorney who was granted the power of attorney, under the applicable legal provisions and the OGMS procedure. The general power of attorney shall be granted by the shareholder for the entire holding on the reference date and submitted to the Company until the deadline mentioned below, in copy, with the mention *according to the original* under the signature of the representative.

(iii) Exercising the voting right by correspondence or through authorized representatives. The ballot papers, the special powers of attorney and the general powers of attorney, accompanied by the documents requested according to the procedures, shall be submitted/sent at the Company's headquarters, on working days (Monday-Friday, from 9:00 a.m. to 15:00 p.m.) or sent by email at siftransilvania@siftransilvania.ro as an electronically signed document with an extended electronic signature, according to Law no. 455/2001 *on the electronic signature*, until 27.04.2020, (registration date at the Company's Registry office or postmark date of arrival in Braşov) under the sanction of losing the right to vote by correspondence or through the authorized representative in the general meeting convened by this notice, according to legal provisions.

The revocation of a special/general power of attorney can be made in written, by any of the means of designation and shall be sent to the Company's headquarters until 24.04.2020, 12:00 (noon).

The special/general powers of attorney bearing a later date (registered with the Company until the deadline of 24.04.2020, 12:00 (noon)) have as effect the revocation of the previously issued powers of attorney.

(iv) Attending the OGMS. The natural persons are permitted to attend the meeting by simply demonstrating their identity.

The legal persons and the entities without legal personality may attend the general meeting through their legal representative. The capacity as legal representative is acknowledged as mentioned in Chapter III above.

The direct participation of the shareholder at the OGMS, in person or through their legal representative, removes any other voting option previously sent, only the vote expressed in person or through the legal representative being considered.

VII. Shareholders' questions. Each shareholder has the right to ask questions pertaining to the items on the agenda of the general meeting, the deadline for exercising this right being 24.04.2020. The Company may answer the questions also by posting the answer on its website, under the "FAQ" section or during the general meeting, provided that the requested information complies with the

public information character and cannot be found in the documents pertaining to the agenda or in the institutional reports disseminated by the Company.

The shareholders' questions shall be sent in written, by submitting the documents in original to the Company's headquarters or by email at siftransilvania@siftransilvania.ro with an incorporated extended electronic signature (according to Law 455/2001 *on electronic signature*) clearly referenced "For the OGMS of 28/29 April 2020".

The capacity as shareholder (natural person or legal representative of the legal entity) shall be ascertained on the basis of the Shareholders' Register as at the reference date, based on the identity document or, prior to the receipt of the Shareholders' Register, according to Chapter III above.

VII. Suspension of the voting rights. In the case of persons exceeding the holding limit of 5% of the Company's share capital and /or acting in concert, the exercise of the voting right for the shares exceeding the legal limit shall be suspended, by a *pro-rata* limitation of the holdings as of the reference date.

The person voting both as a shareholder and representative of other shareholders, with a number of shares cumulatively exceeding the threshold of 5% of the Company's share capital may be subjected to the verification procedure regarding the concerted action, in accordance with the applicable special regulations.

IX. Addresses of the Company's headquarters and branch office:

Headquarters - Braşov, 2, Nicolae Iorga Street, postal code 500057, Braşov County, tel. 0268/41.55.29; 41.61.71, fax 0268/47.32.15; 47.32.16;

Bucuresti Branch office – Bucuresti, 35, Maria Rosetti Street, postal code 020482, tel. 021/212.12.70, fax 021/212.12.71.

**President of the Executive Board,
Ec. Mihai Fercală, PhD**

**Vice President of the Executive Board,
Ec. Iulian Stan, PhD**

**Member of the Executive Board
Ec. Ştefan Szitas**

**Marcus Valeriu Marin
Compliance Officer**

Disclaimer: The document herein is an English translation of the original document prepared in Romanian. The Company provides this translation for your reference and convenience only, and without any warranty as to its accuracy. In case of discrepancies between the Romanian version and the English version, the Romanian version shall prevail.

**Mihai Fercală
Executive President/CEO**

**Iulian Stan
Executive Vice President/Deputy CEO**

**Ştefan Szitas
Member of the Executive Board/Director**

**Marcus Valeriu Marin
Compliance Officer**