



No. 2754 / 09.04.2020

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: 09.04.2020

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: The Executive Board's reasons for the proposals to amend the Articles of Incorporation of S.I.F. Transilvania

S.I.F. Transilvania would like to inform the shareholders and investors on the reasons that grounded the Executive Board's proposals for the amendment of the Articles of Incorporation of S.I.F. Transilvania, proposals presented in the Convening Notice of the Extraordinary General Meeting of Shareholders of 11.05.2020. The proposals took into consideration the following:

- The improvement of the **Corporate Governance** at the company level;
- The fulfillment of the obligations imposed by **Law no. 243/2019 on the alternative investment funds** and the requirements of Law no. 74/2015 on the alternative investment funds managers and the F.S.A. Regulation no. 10/2015 on the alternative investment funds management;
- In this respect, compared to the limitation of the share ownership to 5% of the share capital, according to Law no. 297/2004, taking into account the provisions of Law no. 243/2019, the proposal provides for the increase of the ownership threshold to 10% of the share capital. The proposal took into consideration the following aspects:
 - According to Law no. 243/2019, S.I.F. Transilvania is clasified as an alternative investment fund intended for retail investors, the shares traded on the capital market being able to benefit from the premises of a **high free-float, in the general interest of the market and in the interest of the investors**;
 - Maintaining a high free-float is both in **the interest of professional investors** (considering their investment limits) and **in the interest of small investors** who hold SIF3 shares;

- The proposal also takes into account the **shareholding structure** of S.I.F. Transilvania (about 7 million shareholders);
- The **investors protection** is properly ensured - an important objective for ensuring and consolidating an integrated framework for the functioning of the capital market;
- **The adjustment of the number of the members of the Supervisory Board and their remuneration to the specifics of the company's activity, company which is managed under a two-tier system**, where the management duties belong exclusively to the Executive Board (consisting of 3 members), while the Supervisory Board performs only supervisory duties, according to the law. In this respect, the proposal provides for the reduction of the number of the Supervisory Board members from 7 to 5, as well as the reduction of their remuneration, with important effects on the reduction of the company's expenses.

Iulian Stan

Vice President of the Executive Board

Stefan Szitas

Member of the Executive Board/Director

Marcus Valeriu Marin
Compliance Officer