



No. 3517/26.05.2020

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

CURRENT REPORT

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

Report date: 26.05.2020

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 218,428,666.40

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

Important event to be reported: Clarifications regarding the OGMS of 28.04.2020

S.I.F. Transilvania presents our Company's response letter to the F.S.A. Letter no. VPI 4934/22.05.2020 regarding the OGMS Resolution of 28.04.2020, as attached to this current report.

Marius Adrian Moldovan
Executive President/CEO

Răduță-Gib Tony Cristian
Member of the Executive Board/Director



SOCIETATEA DE INVESTITII FINANCIARE TRANSILVANIA S.A.

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Societate administrată în sistem dualist



To:

**The Financial Supervisory Authority
Bucharest, Splaiul Independentei, no. 15**

Attn.: Mr. Gabriel Gradinescu – Vice President

REF: Answer to the F.S.A. Letter VPI no. 4934 / 22.05.2020

Date: 25.05.2020

Dear Sir,

The undersigned Marius Adrian Moldovan, CEO and Tony-Cristian Raduta-Gib, Director, in respect to your letter mentioned above, we would like to inform you on the following aspects regarding the Ordinary General Meeting of Shareholders dated 28.04.2020 and the Current Report no. 5/04.05.2020, published by SIF Transilvania, under the signature of Mr. Crinel Valer Andanut, President of the Supervisory Board and Mr. Marius Adrian Moldovan, member of the Supervisory Board, on the B.V.B. website.

On 18.05.2020, Mr. Corsate Alexandru Alin, bailiff of the Brasov Court of Appeal, concluded at the company's headquarters the emergency report of findings on the number of the votes cast as "for", "against", the number of abstentions and the annulled votes within the O.G.M.S. of SIF Transilvania dated 28.04.2020, in the presence of a commission set up by the Supervisory Board of S.I.F. Transilvania S.A., composed of Andanut Crinel Valer, Petria Nicolae, Moldovan Marius Adrian, Mailat Dinu, Oprea Catalin, George Nicolae, in accordance with the provisions of art. 364 of the Code of Civil Procedure.

On this occasion, the Minutes no. 1, concluded on 28.04.2020 pertaining to the Ordinary General Meeting of Shareholders of SIF Transilvania S.A. was made available in original copy.

Please find attached to this letter the report of findings, concluded by the bailiff Corsate Alexandru Alin and the O.G.M.S. Minutes dated 28.04.2020.

Given the incident legal provisions, namely:

- Art. 112 of Law no.31/1990R, (1) *For the validity of the deliberations of the ordinary general meeting, the presence of shareholders holding at least a quarter from the total number of the voting rights is required. **The resolutions of the ordinary general meeting shall be adopted with the majority of the votes cast.***
- Art. 115 of Law no. 31/1990, regarding the E.G.M.S., para. (2) *The resolutions are adopted **with the majority of the votes held by the shareholders present or represented.***
- Art. 209 para. (1) of the F.S.A. Regulation no. 5/2018, *The company must determine for each resolution at least the number of shares for which valid votes were cast, the proportion of the share capital represented by those votes, **the total number of valid votes cast, as well as the number of votes cast as “for” and “against” for each resolution and, if applicable, the number of abstentions.***

From the above mentioned, it results very clearly the distinction that the legislator makes regarding the calculation method of the majority necessary for the adoption of the resolutions within O.G.M.S. versus E.G.M.S.

Therefore, according to the provisions of Law no. 31/1990R, corroborated with the provisions of the special legislation applicable to S.I.F. Transilvania S.A., **the majority of the votes cast** in the ordinary general meetings is determined as a ratio between the number of votes "for" and the calculation base of the votes cast, respectively the number of votes "for", "against" and cancelled votes. The cancelled votes are votes cast erroneously, for a reason related to the filling of the ballot paper.

Abstentions are not considered votes cast, as they reflect a passive attitude of the shareholder in respect to the issues subject to the deliberation and approval of the general meeting of shareholders.

In the legislator's opinion, the notion of votes cast means an attitude of involvement of the shareholder, of active participation in the decision-making regarding the company's activity.

Given the above, **the formula for calculating the majority of votes "for"** on the adoption of a Resolution by the O.G.M.S. is the following: **the result of the ratio between [votes "for"] and [votes "for", plus votes "against", plus cancelled votes].**

The O.G.M.S. Resolution no. 1 of 28.04.2020 of S.I.F. Transilvania is, therefore, the one communicated through the Current Report no. 05/04.05.2020, respectively:

Art. 1 - 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, which contain, in summary, the following data:

Net operating income	:	RON 207,492,909
Operating expenses - total	:	RON 21,103,979
Profit before tax	:	RON 186,388,930
Income tax	:	RON 4,591,653
Net profit to be distributed	:	RON 181,797,277

Art. 2 - Approval of the distribution of the net profit realized in the financial year 2019, and setting of the gross dividend value per share at RON 0.0355 /share (Option no. 2), as follows:

Destination	Amount (RON)
1. Legal reserves	591,140.39
2. Dividends	76,766,754.79 (RON 0.0355/share)
3. Other reserves – Own financing sources from profit	104,439,381.82
Total net profit achieved and distributed	181,797,277.00

Art. 3 – Rejection of the commencement of the liability action against Mr. Constantin Frățilă 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;

Art. 4 – Rejection of the commencement of the liability action against Mr. Crinel-Valer Andănuț, 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;

Art. 5 – Rejection 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;

Art. 6 – Rejection of the appointment of Mr. Mihai Fercală and Mr. Dragoș Călin as the authorized persons to bring to court, together or separately – as they deem appropriate, at the expense of the company, the liability actions against Mr. Constantin Frățilă, Mr. Crinel-Valer Andănuț and Mr. Marius Adrian Moldovan;

Art. 7 – Approval of the discharge from liability of the Executive Board members and of the Supervisory Board members for the activity performed in the financial year 2019;

Art. 8 – Approval of the revenue and expenditure budget for 2020 and of the investment program for 2020;

Art. 9 – Approval of 06.10.2020 as the *record date* (*ex-date* 05.10.2020), in compliance with the applicable legal provisions, for the identification of the shareholders who are subjected to the effects of the O.G.M.S. resolutions and approval of 26.10.2020 as the *payment date*;

Art. 10 – Approval of the authorization of Mr. Mihai Fercală- Executive President/CEO to sign the O.G.M.S. Resolution and to carry out the formalities for the publication and registration thereof;

Art. 11 – Approval of the commencement of the liability action against Mr. Mihai Fercala, Executive President / CEO of S.I.F. Transilvania S.A. for damages brought to S.I.F. Transilvania S.A. amounting to RON 623,334, amount paid to Mr. Constantin Fratila as compensation and court expenses, as a result of the non-enforcement of the enforceable sentence on the suspension of the Resolution of the Ordinary General Meeting of Shareholders dated 11.08.2014, through which Mr. Constantin Fratila was revoked from the position of member of the company's Supervisory Board. The enforceable court decision, issued by the Brasov Tribunal in File 6305/62/2014, not enforced according to the legal provisions, had the immediate effect of obstructing the legal right of Mr. Constantin Fratila to exercise his mandate as a member of the Supervisory Board of S.I.F. Transilvania S.A. starting with the date of the sentence, respectively from 15.12.2014 and until April 2017, as well as obstructing the right of the company to benefit from the exercise by Mr. Constantin Fratila of the mandate of member of the Supervisory Board;

Art. 12 – Rejection of the commencement of the liability action against Mr. Stefan Szabo, member of the Supervisory Board/President of the Supervisory Board of S.I.F. Transilvania S.A. who, in violation of art. 153⁹ paragraph (1) letter c) of Law no. 31/1990, while exercising the mandate of member of the Supervisory Board, has favoured the damages caused to S.I.F. Transilvania S.A. amounting to RON 623,334, presented under item 14 on the agenda. The violation of art. 153⁹ paragraph (1) letter c) of Law no. 31/1990 was premeditated and with intent, being materialized in different legal actions brought by the Executive Board, and the delay in exercising by Mr. Moldovan Marius Adrian of the mandate of member of the Supervisory Board, in order to ensure the majority within the Supervisory Board;

Art. 13¹ – Approval of the commencement of the liability action against Mr. Dumitru Carapiti, member of the Supervisory Board/Vice-President of the Supervisory Board of S.I.F. Transilvania S.A.

¹ The O.G.M.S. of 28.04.2020 recorded a quorum of 50.56% of the voting rights, at the first convening, so that the cumulative conditions of art.155² and art.115, para. (1) are met. Law 31/1990, art.155² 2, para. (6) *If the general meeting decides to commence liability action against the members of the supervisory board with the majority provided in art.115, para. (1), the mandate of the respective members of the supervisory board ceases by law. The general meeting will proceed to their replacement.*

who, in violation of art. 153⁹ paragraph (1) letter c) of Law no. 31/1990, while exercising the mandate of member of the Supervisory Board, has favoured the damages caused to S.I.F. Transilvania S.A. amounting to RON 623,334, presented under item 14 on the agenda. The violation of art. 153⁹ paragraph (1) letter c) of Law no. 31/1990 was premeditated and with intent, being materialized in different legal actions brought by the Executive Board, and the delay in exercising by Mr. Moldovan Marius Adrian of the mandate of member of the Supervisory Board, in order to ensure the majority within the Supervisory Board;

Art. 14 – Approval of the appointment of Mr. Moldovan Marius Adrian as the authorized person to bring to court, at the expense of the company, the liability action against Mr. Mihai Fercală;

Art. 15 - Approval of the appointment of Mr. Moldovan Marius Adrian as the authorized person to bring to court, at the expense of the company, the liability action against Mr. Stefan Szabo;

Art. 16 – Approval of the appointment of Mr. Moldovan Marius Adrian as the authorized person to bring to court, at the expense of the company, the liability action against Mr. Dumitru Carapiti;

Art. 17 - Approval of the authorization of Mr. Moldovan Marius Adrian to carry out the formalities for the registration and publication of the resolutions of the general meeting of shareholders, at the expense of the company.

The result of the votes cast for the approval of art. 1- art. 17 of the O.G.M.S. Resolution of 28.04.2020 was the following:

Agenda	Total votes cast	For		Against		Cancelled		Abstention
		No	%	No.	%	No.	%	No.
art.1*	963,907,618	695,154,443	72.12%	268,681,343	27.87%	71,832	0.01%	105,672,555
art.2**	1,035,014,328	747,723,689	72.24%	286,666,586	27.70%	624,053	0.06%	45,228,656
art.3	976,239,510	283,506,148	29.04%	692,661,234	70.95%	72,128	0.01%	111,914,155
art.4	799,784,047	189,380,757	23.68%	610,340,056	76.31%	63,234	0.01%	288,369,618
art.5	900,022,104	184,454,281	20.49%	715,505,791	79.50%	62,032	0.01%	188,131,561
art.6	854,022,576	338,727,361	39.66%	515,209,939	60.33%	85,276	0.01%	215,557,597
art.7	963,973,183	488,543,012	50.68%	475,344,895	49.31%	85,276	0.01%	105,606,990
art.8	960,672,020	590,608,869	61.48%	369,978,007	38.51%	85,144	0.01%	108,908,153
art.9	1,068,806,864	913,021,529	85.42%	155,704,091	14.57%	81,244	0.01%	773,309
art.10	1,057,132,793	565,483,461	53.49%	491,564,056	46.50%	85,276	0.01%	12,447,380
art.11	850,572,025	504,890,356	59.36%	345,481,553	40.62%	200,116	0.02%	217,201,587
art.12	850,566,565	398,359,546	46.83%	452,054,863	53.15%	152,156	0.02%	217,207,047
art.13	850,483,515	504,897,232	59.37%	345,436,547	40.62%	149,736	0.02%	217,290,097
art.14	823,013,025	500,705,688	60.84%	321,249,351	39.03%	1,057,986	0.13%	257,229,959
art.15	823,072,341	500,720,160	60.84%	321,310,289	39.04%	1,041,892	0.13%	257,170,643
art.16	823,043,217	500,729,054	60.84%	321,280,335	39.04%	1,033,828	0.13%	257,199,767
art.17	889,432,640	629,061,426	70.73%	259,321,258	29.16%	1,049,956	0.12%	190,810,344

**The no. of votes cast as "For" are taken from the "Minute on the processing of votes cast by correspondence and electronically" (voting method in proportion of 100%) concluded on 28.04.2020. The Minute no. 1 concluded on 28.04.2020, pertaining to the OGMS of S.I.F Transilvania S.A.,*

Law 31/1990, art.115, para.(1): *For the validity of the deliberations of the extraordinary general meeting, the presence of the shareholders holding at least a quarter of the total number of voting rights is required at the first convening, and the presence of the shareholders holding together at least a fifth of the total number of voting rights is required for the following convening.*

stipulates for this item on the agenda a number of 695,580,173 votes cast as "For", this information being carried over in the emergency report of findings of the bailiff of the Brasov Court of Appeal drawn up on 18.05 at the company's headquarters.

***The Minute no. 1 concluded on 28.04.2020, pertaining to the OGMS of S.I.F Transilvania S.A., stipulates for this item on the agenda, under the section presenting the result of the vote for "Approval of the distribution of the net profit realized in the financial year 2019 and setting of the gross dividend per share, as follows: "Approval of the distribution of the net profit realized in the financial year 2019 according to the table below and setting of the gross dividend per share in the amount of **0.0300** lei/share: Legal reserves = 591,140.39 lei, Dividends = 64,873,313.91 lei (0.0300 lei/share), Other reserves - own sources of financing constituted from profit = 116,332,822.70 lei and Total net profit realized and distributed = 181,797,277.00 lei ", the actual and approved proposal being the one mentioned under Art. 2 of the hereby letter.*

Yours sincerely,

Marius Adrian Moldovan
Executive President/CEO

Răduță-Gib Tony Cristian
Member of the Executive Board/Director