



**SOCIETATEA DE INVESTITII FINANCIARE
TRANSILVANIA S.A.**

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Societate administrată în sistem dualist

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Nr. 4838/03.06.2014

**To: BUCHAREST STOCK EXCHANGE
FINANCIAL SUPERVISORY AUTHORITY
Financial Instruments and Investments Sector**

CURRENT REPORT

According to the N.S.C. Regulation no. 1/ 2006

Report date: June 3, 2014

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

Subscribed and paid-in share capital: RON 109,214,333.20

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

Important event to be reported: F.S.A. Decisions

The members of the Executive Board of SIF Transilvania, namely Mr. Mihai Fercala- Executive President, Mr. Ion Mihaila- Executive Vice-president and Mr. Iulian Stan- Executive Vice-president, have been sanctioned, as per F.S.A. Notice no. 2524.1/02.06.2014, with a fine of RON 10,000 each, due to the fact that the drafting of the forms required for the election of the two members of the Supervisory Board, approved by the Executive Board on March 25th, 2014, does not comply to the provisions of art. 15 paragraph (1) indent 6 of N.S.C. Regulation no. 6/2009.

The power of attorney pattern as regulated by N.S.C. Regulation no. 6/2009 does not ensure the vote secrecy for the election of the Board of Directors or Supervisory Board members required by art.130, paragraph (2) of Law no. 31/1990 and deprives the shareholder of the benefit of the vote secrecy by the explicit presentation of the voting intention for each of the candidates for the respective position.

In order to prevent such a deficiency, SIF Transilvania drafted a special power of attorney, based on the mandate theory, so as the voting instructions for the election of the Board of Directors or Supervisory Board members, as the case may be, be known only by the shareholder and his authorized agent during the general meeting.

We recall that this special power of attorney pattern has been used by SIF Transilvania even since 2005 and the Appeal Court of Brasov decided (Decision no. 49/Ap of April 20th, 2006) that "in the case of the voting paper no. 2 used for the election of the members of the Board of Directors, through the special power of attorney several options are established in order to choose the agent, so the shareholders are not forced to choose a certain person as agent. The names of the Board of Directors candidates are made known to the public by SIF Transilvania (the defendant) so the shareholder is able to communicate his option to his agent. According to the information presented in the power of attorney, the election of the members of the Board of Directors is to be made by secret vote, observing this way Law no. 31/1990."

The above mentioned decision of the Appeal Court was forwarded to the F.S.A. but the authority did not take it into account when issuing the decisions to sanction.

The members of the Executive Board will challenge the sanctions applied by the F.S.A. and will take advantage of any legal way to favourably settle the complaints against the decisions to sanction as well to validate the lawfulness of the power of attorney in question issued in the interest of SIF Transilvania shareholders.

Dr. ec. Mihai Fercală
Executive President/ C.E.O.

Dr. ec. Iulian Stan
Executive Vice-president /Deputy C.E.O.