



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

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Societate administrată în sistem dualist

No. 2079/20.03.2017

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

**CURRENT REPORT
according to the NSC Regulation no. 1/2006
Report date: 20 March 2017**

S.I.F. Transilvania S.A.
Registered office: 2 Nicolae Iorga Street, Braşov 500057
Telephone: 0268/41.55.29, 41.61.71; Fax: 0268/47.32.15; 47.32.16
Website: www.siftransilvania.ro
Tax Identification Number/ Fiscal registration code: RO3047687
Trade Register number: J08/3306/92
Subscribed and paid in share capital: RON 218,428,666.40
Market where issued securities are traded: Bucharest Stock Exchange (Symbol SIF3)

Important event to report: Convening notice for the Extraordinary General Meeting of Shareholders

The Company's Executive Board decided during the meeting held on **20 March 2017** to convene **the Extraordinary General Meeting of the Shareholders of S.I.F. „Transilvania” S.A.** according to the following **convening notice**:

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

with its registered office in Braşov, 2 Nicolae Iorga Street, Braşov County, registered with the Trade Register Office attached to the Braşov Court under no. J08/3306/1992, with Fiscal Registration Code RO3047687, hereby convenes the **Extraordinary General Meeting of Shareholders for 28 April 2017, 12:30 p.m.**

The meeting will be held in Braşov, 10 Alexandru Vlahuţă Blvd. (headquarters of International Trade & Logistic Center).

The convening is carried out to amend and supplement the Articles of Incorporation with the mandatory provisions of the F.S.A. Regulation no. 2/2016 on implementation of the corporate governance principles by the entities authorized, regulated and supervised by the FSA and the primary and secondary law provisions entered into force after the approval date of the Articles of Incorporation and in accordance with the correspondence with F.S.A. on the subject, by observing the provisions of Law no. 297/2004 on the capital market, as further amended and supplemented (hereinafter referred to as Law no. 297/2004), the NSC/FSA regulations issued for the enforcement of the above-mentioned law, the Companies' Law no. 31/1990, republished in 2004, as further amended and supplemented (hereinafter referred to as Law no. 31/1990) and the Company's Articles of Incorporation.

The Company's share capital is divided in 2,184,286,664 nominative and indivisible shares, of equal value, issued in dematerialized form. Each share grants the right to one vote within the general meeting of shareholders, except for the shares whose voting right is suspended according to article 286¹ paragraphs (1) and (2) of Law no. 297/2004. The information regarding the number of shares with voting right suspended will be made public on the Company's website up to the date of the general meeting, by posting the FSA decision regarding the suspension of the exercise of voting rights, issued, if applicable, according to the NSC 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 **10 April 2017**, set as reference date.

The **Extraordinary General Meeting of Shareholders** will have the following agenda:

1. Election of the meeting secretariat, according to article 129 of Law no. 31/1990, comprised of three members, namely: Mr. Gavril Ola, Mrs. Mihaela Susan and Mrs. Simona Moldval, identified with the data available at the Company's registered office; Mr. Gavril Ola is to be elected as the meeting secretary in charge with drafting the EGMS minutes;
2. Election of the Committee for counting the votes expressed within the EGMS meeting, comprised of three members, namely: Mr. Mielu Dobrin, Mr. Florian Serac and Mr. Gheorghe Rusu, identified with the data available at the Company's registered office;
3. Approval of the amendment and supplementation of the Company's Articles of Incorporation, as follows:

3.1. Article 10 paragraph (3) is amended and shall have the following wording:

(3) Each shareholder is entitled to dividends proportionally to its participation to the share capital. The value of dividends and the term in which they are to be paid to the shareholders will be established by resolution of the general meeting of shareholders. S.I.F. „Transilvania”, as a dividend paying company, is entitled to deduct from the amount to be paid as dividends the expenses related to the payment. The payment of dividends and of any other amounts due to the holders of securities issued by S.I.F. „Transilvania” will be carried out through the central depository and the participants in the clearing-settlement and the registry system, according to law.

3.2. Paragraph (1) of article 15 and indent b), d) and f) of paragraph (1) of article 15 are amended and shall have the following wording:

(1) The Company is managed in a two-tier system by an Executive Board controlled by the Supervisory Board. The mandate of the Supervisory Board members is granted for a 4-year period. The Supervisory Board is comprised of seven natural persons, who must cumulatively meet the following conditions:

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b) not to be members of the Board of Directors/Supervisory Board or directors/members of the Executive Board of other investment management company, financial investment company or of a credit institution that functions as a depository for one of the collective investment undertakings managed; not to be members of the Board of Directors/Supervisory Board of an investment service company with which the investment management company has concluded financial intermediation agreements and not to be employed or have any contractual relationship with other investment management company or financial investment company.

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d) not to be subject to the sanctions provided by article 273 paragraph (1) indent c) of Law 279/2004 enforced by the National Securities Commission or to other similar sanctions enforced by the National Bank of Romania, the Insurance Supervisory Commission, the Private Pension System Supervisory Commission or by other foreign supervisory and regulatory authorities in the economic and financial field;
.....

f) to have professional experience in the capital market /insurance/ private pensions field or in banking or investment management field of at least three years;

3.3. Paragraph (4) of article 15 is amended and shall have the following wording:

(4) The Supervisory Board has full powers in supervising the activity of the Executive Board relating to making any management and administration decisions - according to the business judgment rule, adopted to fulfill the Company's object of activity, except for those that are explicitly granted by law to the general meeting of shareholders and/or to the Executive Board.

3.4. Article 15 is supplemented by a new paragraph – paragraph (5) which shall have the following wording:

(5) The Supervisory Board has the following main responsibilities on the application of corporate governance principles:

(i) supervises and is responsible for the carrying out of the strategic management of the Company and the objectives set;

(ii) approves the Company's business plan and assesses the Company's financial position;

(iii) establishes relevant criteria for monitoring the results of the Executive Board activity and of the Company as a whole and assesses annually the application thereof;

(iv) ensures that there is an appropriate verification framework of the way the specific legislation on the reporting to F.S.A. is applied and of the information submitted to F.S.A. upon the request of the latter, concerning certain actions taken by the Company;

(v) analyses the adequacy, efficiency and updating of the risk management system to efficiently manage the assets held by the Company, as well as the management manner of the risks to which it is exposed;

(vi) approves the risk appetite and tolerance limits of the Company and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks to which the Company is or may be exposed;

(vii) analyses the adequacy, efficiency and updating of the internal control - compliance system so as to ensure its independence from the operational and support structures within the Company;

(viii) supervises the compliance with the requirements on outsourcing / delegation of operational activities or functions, both before and throughout outsourcing / delegation period;

(ix) analyses and establishes the remuneration policy of the Company so that it complies with the business strategy, objectives and long-term interests and includes measures for preventing conflicts of interest;

(x) ensures that the Company has a communication strategy that complies with the applicable legal requirements;

(xi) ensures the development of ethical and professional standards to ensure a professional and responsible behavior within the Company in order to prevent conflicts of interest;

(xii) assesses semiannually the plans for ensuring the business continuity and the emergency plans of the Company.

3.5. Paragraphs (2) and (6) of article 17 are amended and shall have the following wording:

(2) The notice for convening the Supervisory Board shall be forwarded to the members with sufficient time prior to the meeting. This term and the functioning of the Board shall be established by the operating rules of the Supervisory Board.

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(6) The participation to the Supervisory Board meetings may also take place by means of remote communication such as conference calls, if two thirds of the members of the Supervisory Board do not object. The content of the minutes drafted after such meeting shall be confirmed in writing by all the members of the Supervisory Board who attended the meeting.

3.6. Paragraphs (1), (2) and (4) of article 19 are amended and shall have the following wording:

(1) The Supervisory Board appoints an Executive Board comprised of minimum 3 members. Based on the decision of the Supervisory Board, one of the members shall be appointed Executive President, also holding the position of CEO, and another member shall be appointed Executive Vice-President, substitute for the President, also holding the position of deputy CEO. The mandate of the Executive Board members is granted for a 4-year period and can be renewed for additional 4-year periods.

(2) The members of the Executive Board, as well as the persons replacing them, shall meet the conditions provided by indent a)- e) and g) of paragraph (1) of article 15 of the Articles of Incorporation herein, shall have an experience of minimum five years in the field of investment management or capital market and shall conclude a professional liability insurance amounting to the RON equivalent of Euro 300,000. The insurance premiums will be incurred by the Company.

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(4) In relations with third parties, the Company shall be represented by the President of the Executive Board or by other member of the Executive Board designated for this purpose and it shall be bound by signature of two persons (two members of the Executive Board or a member of the Executive Board and the head of the operational department which drafted the respective document).

3.7. Article 19 is supplemented by three new paragraphs – paragraphs (11) - (13) which shall have the following wording:

(11) The notice for convening the Executive Board shall be forwarded to the members with sufficient time prior to the meeting. This term and the functioning of the Executive Board shall be established by the operating rules of the Executive Board.

(12) The Executive Board members shall exercise their mandate personally, loyally and in the Company's interest. By way of exception, a member of the executive board may represent in the board meetings only one absent member, based on a special power of attorney valid only for a specific meeting.

(13) At least half of the Executive Board members must be present so as the decisions to be valid. The Executive Board decisions will be validly adopted by the affirmative vote of the majority of the members present or represented at that meeting of the Executive Board. In the event of a tie, the President of the Executive Board, or his designated substitute, shall have the casting vote.

4. Approval of **19 May 2017** as *record date (ex-date 18 May 2017)*, according to the applicable legal provisions, for the identification of the shareholders who are subjected to the effects of the resolutions taken;
5. Authorization of Mr. Mihai Fercală - Executive President/CEO to sign the Resolution of the Extraordinary General Meeting of Shareholders and to carry out the formalities for the publication and registration thereof.

One or more shareholders representing individually or jointly at least 5% of the share capital has/have the right:

(i) to introduce items on the agenda of the general meetings 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 included or proposed to be included on the agenda of the general meeting.

Shareholders can exercise the above mentioned rights by **6 April 2017, 2:00 p.m.**

Each shareholder has the right to ask questions related to the items on the agenda of the general meeting, the deadline for exercising this right being **25 April 2017**. The Company may answer the questions also by posting the answer on the Company's website, at the "Frequently Asked Questions" section.

The proposals or questions of the shareholders mentioned in the previous paragraphs may be submitted or sent either by post or courier to the Company's registered office mentioned above, clearly referenced "For the Extraordinary General Meeting of Shareholders of 28/29 April 2017" or by email at siftransilvania@siftransilvania.ro having attached the extended electronic signature, according to Law no. 455/2001 on the electronic signature.

The capacity of shareholder, and in the case of legal entities or entities without legal personality, the capacity of legal representative is proven based on the documents issued by Central Depository or by the participants supplying custodian services (article 168 paragraph 1 letter b of Law no. 297/2004) as follows: statement of account indicating the capacity of shareholder and the number of shares held and documents attesting the registration of the information regarding the legal representative at Central Depository or at the authorized custodian.

Shareholders registered in the Shareholders' Register on the reference date may attend the general meeting 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, at "E.G.M.S. April 2017" section.

Natural persons shareholders are permitted to attend the general meeting of shareholders by simply proving their identity.

Legal entities may attend the general meeting through their legal representative. The capacity of legal representative is acknowledged based on the shareholders list at the reference date received from the Central Depository. If the information on the legal representative has not been updated with the Central Depository by the legal entity as at the reference date, the proof of capacity as legal representative is made based on the Confirmation of Company Details (in Romanian, Certificat Constatator) issued by the Trade Register (original or certified copy), or any other document (original or certified copy) issued by the competent authority of the state in which the shareholder is legally registered, certifying the capacity of legal representative of the legal entity. The document certifying said capacity is

valid if issued maximum three months before the publication of the general meeting's convening notice.

If the shareholder is represented in the general meeting by another person, its representative shall present the power of attorney (signed by the natural person shareholder or by the legal representative of the legal entity), the official document certifying the capacity of legal representative of the legal entity as shown in the previous paragraph and the identity document.

The forms for special powers of attorney valid for the general meeting convened by the notice herein will be available at the Company's registered office or at the Bucharest branch office starting with 28 March 2017, during working days, between 9:00 a.m. and 3:00 p.m.

After being filled in and signed, a counterpart of the special power of attorney shall be submitted to the Company by **26 April 2017** (date of registration with the Company's registration office or postmark date of arrival to Brasov), under the sanction of losing the right to vote by proxy in the general meeting, according to the provisions of the law. The power of attorney shall be sent in original with handwritten signature to the Company's registered office or emailed to siftransilvania@siftransilvania.ro as document electronically signed with extended electronic signature, according to Law no. 455/2001 on the electronic signature. The second counterpart of the special power of attorney shall be handed /sent to the authorized representative and the third counterpart shall be kept by the shareholder.

The general power of attorney granted by the shareholder, as client, to an intermediary, as defined in article 2, paragraph (1) item 14 of Law 297/2004, or to an attorney, will be submitted before its first use to the Company's registered office, as copy certified by the shareholder's representative, by **26 April 2017** (date of registration with the Company's registration office), under the sanction of losing the right to vote by proxy in the general meeting convened by the notice herein, according to legal provisions.

Shareholders registered in the Shareholders' Register on the reference date may also vote by correspondence before the general meeting by using the forms for correspondence ballots, in accordance with article 243 of Law no. 297/2004.

The forms for correspondence ballots for the shareholders holding at least 1,000 shares shall be mailed by the Company to the addresses mentioned in the Shareholders' Register starting with **14 April 2017**. The forms for correspondence ballots for the shareholders holding less than 1,000 shares shall be available as of **28 March 2017**, during working days, between 9:00 a.m. and 2:00 p.m., at the Company's registered office and at the Bucharest branch office.

After being filled in, the correspondence ballots shall be mailed to the Company's registered office so that they are received by **26 April 2017** (postmark date of arrival to Braşov), under the sanction of losing the right to vote by correspondence in the general meeting, according to legal provisions.

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, "Electronic Voting" section.

The procedure for voting by correspondence, including by electronic means drafted by the Executive Board, will be presented in the informative materials that will be made available to shareholders on the Company's website, at "E.G.M.S. April 2017" section.

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

The proposal for amending the Articles of Incorporation will be available to shareholders at the Company's registered office and on its website www.siftransilvania.ro, at "E.G.M.S. April 2017" section starting with 21 March 2017. The draft resolutions of the extraordinary general meeting and the procedure for voting by proxy and correspondence, including by electronic means will be available starting with 28 March 2017, at the Company's registered office and on its website www.siftransilvania.ro, at "E.G.M.S. April 2017" section.

If the validity conditions are not met on the first convening, the Extraordinary General Meeting of Shareholders will be convened for **29 April 2017**, 12:30 p.m. at the same venue and with the same agenda.

The addresses of the Company's registered office and branch office are the following:
Registered Office - 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;
Branch Office – Bucharest, 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, Ph.D.**

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

Disclaimer: The document herein is an English translation of the Convening Notice for the Extraordinary General Meeting of Shareholders of SIF Transilvania to be held on 28/29 April 2017. 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.