

ITEM 2 OF THE EGMS AGENDA

Approval of supplementation of the main object of the company with the activity of “risk management” and “other activities auxiliary and associated to the collective investment activity” in accordance with Art. 5 of Law no. 74/2015 and ASF Regulation no. 10/2015 and the corresponding rewriting of art. 2 para. (1) of Company’s bylaws

The applicable legal framework

In the Official Gazette of Romania, Part I, no. 274 of April 23, 2015, was published the Law no. 74/2015 on alternative investment fund managers (“Law no. 74/2015” or “AIFM Law”). The Law no. 74/2015 came into force 30 days after its publication in the Official Gazette, i.e. on May 23, 2015.

The main purpose of the Law no. 74/2015 is the transposition into Romanian legislation of the Directive 2011/61/EU (known as AIFMD Directive) on Alternative Investment Fund Managers and amending the Directives 2003/41/EC and 2009/65/EC and Regulations (EC) no. 1060/2009 and (EU) no. 1095/2010.

AIFMD Directive aims at unitary regulating the entities that manage alternative investment funds (AIF): *“The scope of this Directive should be limited to entities managing AIFs as a regular business – regardless of whether the AIF is of an open-ended or a closed-ended type, whatever the legal form of the AIF, and whether or not the AIF is listed – which raise capital from a number of investors with a view to investing that capital for the benefit of those investors in accordance with a defined investment policy.”*

The new legislation on alternative investment fund managers (“AIFM”) regulates organizational and operational requirements for the management structures of the AIFM. Are also regulated requirements for the establishing, implementing and maintaining of effective mechanisms for surveillance and control of specific activities such as portfolio management, risk management, internal control and internal audit. Moreover, the new law establishes new requirements for reporting and informing, both the market and the supervisory authority.

Concerning the implementation and transposition of the new law for the entities, art. 63 of Law no. 74/2015 provides that managers of non-UCITS (undertakings for collective investment) in Romania (in original AOPC), operating before the entry into force of the law, are to take all necessary measures to comply with the new law, and are bound that not later than 12 months after entry into force to submit to the ASF, depending on the value of the portfolios managed, with consideration of art. 2 para. (2), either application for authorization or their registration as selfmanaged AIFM / AIF.

Under the new legal provisions, SIF Banat-Crișana S.A. (assimilated to a non-UCITS) must request the Financial Supervisory Authority (“ASF”), no later than May 23, 2016, either registration, or authorization as self-managed AIF.

In order to perform the endeavours for registration/authorization under the new law, the company must have in view the provisions of paragraph 6 (1) of Law no. 74/2015 which states

that “internally managed AIF may not engage in activities other than their own management, pursuant to Srt. 5 para. (2) and (3).” Art. 5 para. (2) and (3) of Law no. 74/2015 read as follows:

“The main activities which may be carried out by AIFMs when managing AIFs are as follows:

- a) portfolio management;
- b) risk management.

(3) AIFMs may additionally perform in the course of the collective management of an AIF other activities such as:

- a) administration:
 - (i) legal and fund management accounting services;
 - (ii) customer inquiries;
 - (iii) valuation and pricing, including tax returns;
 - (iv) regulatory compliance monitoring;
 - (v) maintenance of unit-holder register;
 - (vi) distribution of income;
 - (vii) unit issues and redemptions;
 - (viii) contract settlements, including certificate dispatch;
 - (ix) record keeping;

b) distribution;

c) activities related to the assets of AIFs, namely services necessary to meet the fiduciary duties of the AIFM, facilities management, real estate administration activities, advice to undertakings on capital structure, industrial strategy and related matters, advice and services relating to mergers and the purchase of undertakings and other services connected to the management of the AIF and the companies and other assets in which it has invested.”

In order to comply with the provisions of Law no. 74/2015, and considering the recommendations made by ASF in letter VPI/3761/04.04.2016, the Board of Directors submits for the approval of the extraordinary general meeting of shareholders the completion of article of incorporation governing the activity of company with the activity “risk management” and “other activities related to its administration” pursuant to the quoted legal norms.

RESOLUTION SUBMITTED FOR THE APPROVAL OF EGMS at item 2 of the agenda
– proposed by the Board of Directors

Approval of supplementation of the main object of the company with the activity of “risk management” and “other activities auxiliary and associated to the collective investment activity” in accordance with Art. 5 of Law no. 74/2015 and FSA Regulation no. 10/2015 and the corresponding rewriting of art. 2 para. (1) of the Statute of the company, which shall read as follows:

- (1) The main field of business activity is: financial intermediation, except for insurance and pension funding activities, CAEN code 64, and the main object of the company is Other financial intermediation n.e.c. CAEN code 6499 as follows:
- a) carrying out financial investments in order to maximize the value of own shares in accordance with the regulations in force;
 - b) management of investment portfolio and exercising all of the rights related to the instruments in which investments are made;
 - c) risk management;
 - d) other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.

This is an English translation of the Informative materials for the EGMS Agenda, approved by the Board of Directors of SIF Banat-Crişana on 25.03.2016 and revised on 05.04.2016. The Company provides this translation for shareholders' reference and convenience. In the event that the English version of this informative materials differ from the Romanian version, the latter prevails.