

## ITEM 3 OF THE EGMS AGENDA

### Approval of the amendment of company's articles of association

#### The applicable legal framework

Pursuant to art. 204 and Art. 113 letter m) of Law no. 31/1990, essentially the power to decide on amendments to constitutive documents of a company belongs to the extraordinary general meeting of shareholders.

Law no. 10/2015 introduced in Law no. 297/2004 the art. 286<sup>3</sup>, providing:

*"(1) The conditions of quorum and majority vote necessary to conduct the general meetings of S.I.F.'s shareholders and adoption of decisions are those referred to in Art. 115 par. (1) and (2) of Law no. 31/1990, republished, as amended and supplemented.*

*(2) By way of derogation from Law no. 31/1990, republished, with subsequent amendments, the modifications to the instruments of incorporation of S.I.F., exclusively for the compliance with the provisions of Ast. (1), shall be registered with the Trade Register Office following the decision of the Board or of the S.I.F. or S.A.I., as the case may be, subsequent to the granting of the authorisation previously issued by A.S.F."*

Based on the legal norm previously quoted, the company amended Art. 6 para. (18) of its bylaws governing its quorum and majority requirements for holding the extraordinary general meetings of shareholders, correlating the text of the constitutive document with that of Art. 115 of Law no. 31/1990, this currently providing that *"for the validity of the deliberations of the extraordinary general meeting it is required at the first call the presence of shareholders holding at least a quarter of the total number of voting rights and for the following convocations, the presence of shareholders representing at least one fifth of the total voting rights. Decisions are taken by majority of votes held by shareholders that are present or represented."*

By Endorsement no. 181/04.06. 2015, the Financial Supervisory Authority endorsed the changes in Company's bylaws concerning the quorum and majority requirements for the extraordinary general meetings of shareholders, lowering the requirements, which paved the way for shareholders to be able to meet the general meetings to decide on matters within the competence of the respective meeting.

The Board submits for the approval of the Extraordinary General Meeting of Shareholders reviewing and amending the documents of incorporation of the Company for their correlation with corporate law and capital market in force. Firstly, the Board proposes the termination of validity of the articles of association of SIF Banat-Crişana and transformation of Company's Statute into a memorandum, called "Constitutive Act", pursuant to Art. 5 para. (3) of Law no. 31/1990, currently in force, according to which *"the articles of association and bylaws may be concluded as a single document, called "Constitutive Act"*. Also, the Board proposes to revise and amend those articles of the constitutive act which no longer meet the current legal regulations.

The proposals for amendments also took into consideration the recommendations made by ASF in letter no. VPI/3761/04.04.2016.

## Annexă to the Convening Notice for the GMS of April 25/26, 2016

### Draft for the amendment of articles of association of SIF Banat-Crișana S.A. supplemented and revised based on the letter from Financial Supervisory Authority ASF no. VPI/3761/04.04.2016

*The following is an English translation of the draft for the amendment; the company provides this translation for shareholders' reference and convenience. In the event that the English version of this draft amendment differs from the Romanian version, the latter prevails*

**1. Article 1 par. (2) is amended to read as follows:**

*(2) The legal form of the company is of a joint stock company*

**2. Article 1 par. (3) is amended to read as follows:**

*(3) The company is the successor of the Private Property Fund I Banat Crișana Arad, reorganized and transformed in accordance with Law no.133 /1996.*

**3. Article 1 par. (4) is amended to read as follows:**

*(4) Company's operation is regulated by the provisions of ordinary and special laws, applicable to financial investment companies, alternative investment fund management and the provisions of this Constitutive Act.*

**4. Art. 2 par. (1) is amended to 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.*

**5. Article 2 par. (2) is amended to read as follows:**

*(2) Bucharest branch of SIF Banat- Crișana SA, without legal personality, headquartered in Bucharest, Sector 1, Calea Floreasca, no.175, 7th floor, room A1, carries same object of activity as the parent company.*

**6. Article 5 par. (3), (4) and (6) shall be amended to read as follows:**

- (3) Records of the shares and shareholders is held by the central depository, authorized under the law.*
- (4) Shares held by shareholders will be nominative, dematerialized and registered in an account.*
- (6) Trading in the shares shall be done only through the regulated market that are listed.*

**7. Art. 6 par. (5) shall be amended to read as follows:**

- (5) In addition to any other issues on the agenda, the Ordinary General Meeting of Shareholders is required:*
  - a) to discuss, approve or modify the annual financial statement, based on reports submitted by the Board of Directors and the financial auditor and to set the dividend;*
  - b) to elect and remove the members of the Board of Directors;*
  - c) to appoint or dismiss the financial auditor and fix the minimum duration of the financial audit contract;*
  - d) to set the remuneration for the current year for the members of the Board of Directors;*

- e) to rule on the activity of the Board of Directors;*
- f) to determine the income and expenditure budget and, where appropriate, the program of operations for the following year;*
- g) to decide the pledge, lease or closing one or more of the company's units.*

**8. Art. 6 par. (7) is amended to read as follows:**

*(7) The Extraordinary General Assembly meets to decide upon:*

- a) share capital increase, which will be achieved only through public offering of shares on the basis of a prospectus approved by CNVM and the legal provisions in force;*
- b) change of the company's object of activity;*
- c) change of the legal form of the company;*
- d) transfer of the registered office;*
- e) merger with other companies;*
- f) reduction of share capital or its replenish by issuing new shares;*
- g) anticipated dissolution of the company;*
- h) conversion of shares from one class to another;*
- i) removal or change of limitation of holding company's shares;*
- j) any other amendment to the articles of association or any other resolution requiring the approval of an extraordinary general meeting.*

**9. Art. 6 par. (8) letter b) is amended to read as follows:**

- b) change of the company's object of activity;*

**10. In Art. 6 par. (8) the letters c) and d) will be eliminated and the subsequent letters will be renumbered accordingly.**

**11. Art. 6 par. (13) shall be amended to read as follows:**

*(14) Shareholders who are to benefit of dividends or other rights and who are affected by the decisions of the general meeting of shareholders will be identified based on the list of shareholders provided by the central depository as at the date set by the general meeting of shareholders.*

**12. Art. 6 par. (14) shall be amended to read as follows:**

*(14) The shareholders may attend the general assembly of shareholders directly or represented by other shareholders, based on special or general empowerment (power of attorney). Shareholders may vote by correspondence in accordance with applicable legal provisions.*

**13. Art. 6 par. (16) shall be amended to read as follows:**

*(16) For the validity of the deliberations of the ordinary general assembly of shareholders must be present at least one quarter of the total voting rights. Decisions of the ordinary general assembly shall be taken by majority of the casted voting rights.*

**14. Art. 6 par. (20) shall be amended to read as follows:**

*(20) The General Assembly decisions are taken by open or secret vote. Shareholders may vote by correspondence. Secret vote is compulsory for electing or revocation Board of Directors, for taking decisions regarding the liability of the members of the Board of Directors and for the appointment of the financial auditor.*

**15. Art. 6 par. (26) shall be amended to read as follows:**

*(26) At the request of SIF Banat- Crişana SA, the central depository holding the records of company's shareholders shall provide the data and information necessary to organize and conduct the general meeting of shareholders, according to legal and conventional regulations in force.*

**16. Art. 7 par. (1) is amended to read as follows:**

*(1) The company is administrated by board of directors comprised of seven members elected by the general meeting for a period of 4 years, with the possibility of being re-elected. In case of vacancy of*

*one or more administrators, the other administrators shall appoint an interim member of the Board of Directors until the meeting of the general assembly of shareholders.*

**17. Art. 7 par. (3) is amended to read as follows:**

*(3) Members of the Board of Directors must have a good reputation and sufficient experience to ensure a secure and a prudent management of the company. Members of the Board of Directors must meet the general requirements of Law no. 31/1990 complemented with the capital market legislation and the applicable ASF regulations.*

**18. Art. 7 par. (4) is amended to read as follows:**

*(4) The members of the Board (administrators) will be remunerated for their work, according to the approval of the general meeting of shareholders.*

**19. Art. 7 par. (5) shall be amended to read as follows:**

*(5) Members of the Board of Directors must provide a professional liability insurance, in accordance with the provisions of the law.*

**20. Art. 7 par. (8) is amended to read as follows:**

*(8) In addition, the Board of Directors may be convened at the reasoned request of at least 2 of its members or of the general director. In this case, the agenda is set by the authors of the request. The Chairman of the Board of Directors is obliged to act on such a request.*

**21. Art. 7 par. (9) is amended to read as follows:**

*(9) The convening of the members of the Board of Directors shall be ensured with at least 5 days before the date set for the ordinary meeting and 1 day before the extraordinary meeting. The Chairman of the Board of Directors shall lead the meetings. In the absence of the Chairman, the meetings are led by the Vice-Chairman of the Board of Directors.*

**22. Art. 7 par. (10) shall be amended to read as follows:**

*(10) For the validity of decisions of the Board of Directors at least half of the members must be present. Board members may attend the board meetings even by electronic means, telephone, teleconference, videoconference, which will be mentioned in the minutes of the meeting. In exceptional cases, justified by the urgency and the company's interests, decisions of the Board of Directors, except those relating to the annual financial statements or the authorized capital can be taken by unanimity agreement of the Board members expressed in writing (including by email or fax) without the need for a formal meeting of the Board of Directors.*

**23. Art. 7 par. (11) shall be amended to read as follows:**

*(11) Decisions of the Board of Directors shall be taken by majority of votes cast by the members present. In case of a tie, the Chairman of the Board or the Vice Chairman, in case of absence of the Chairman, will have the decisive vote.*

**24. Art. 7 par. (13) shall be amended to read as follows:**

*(13) The Board of Directors decides upon:*

- a) the strategy and the investment and development policy of the company;*
- b) submits for the approval of the general shareholders' assembly in legal terms, the report on the Company activity, financial position and profit or loss account, and the draft budget of the Company;*
- c) amendment of the income and expenditure budget, depending on the fluctuations in the economy;*
- d) the acts of acquisition, disposal, swaps or collateralization of assets classified as current assets of the company, whose value exceeds individually or cumulatively, during a financial year, 20% of the total fixed assets, less the receivables, will be concluded by the administrators or directors of the company only after their prior approval of the extraordinary general meeting of shareholders under the provisions of Art. 241, paragraph 1 of Law 297/2004;*
- e) the company's organization and operation regulations, its fund management policies and strategies;*
- f) establishing accounting policies and financial control systems and financial planning approval;*

*g) preparing the annual report, organizing general assembly of shareholders and implementing its decisions;*

*h) appointment and removal of directors and establish their competence;*

*i) resolving any other issues determined by the general assembly of shareholders;*

**25. Art. 7 par. (15) shall be amended to read as follows:**

*(15) The Board of Directors (administrators) may delegate some of its powers to the directors, setting their remuneration at the same time, within the overall limits approved by the general meeting of shareholders.*

**26. Art. 7 par. (16) shall be amended to read as follows:**

*(16) The Chairman of the Board of Directors - CEO, and in his absence, the Vice-Chairman of the Board of Directors, shall represent the company in the relationships with third parties.*

**27. Art. 7 par. (19) shall be amended to read as follows:**

*(19) The revocation of the Board of Directors will be made only for justified reasons, by the ordinary general meeting of shareholders.*

**28. Art. 8 is amended to read as follows:**

*8. The financial audit and internal audit.*

*(1) The financial statements and those regarding the company's operations will be audited by a financial auditor, in compliance with the specific requirements established by the applicable law.*

*(2) The financial auditor will be appointed by the general meeting of shareholders, which will set the duration of its mandate. The activity of the financial auditor shall be conducted in accordance with the legal provisions in force and under a service contract to be approved by the Board of Directors;*

*(3) The company will organize its internal audit in accordance with the in force legal provisions.*

**29. Art. 9 par. (2) is amended to read as follows:**

*(2) Employees of the Company are hired by the General Director.*

**30. Art. 10 is amended to read as follows:**

**Art. 10 Loans.**

*The Company may temporarily borrow funds, in compliance with legal regulations.*

**31. Art. 11 is amended to read as follows:**

**Art. 11 Investments of the Company.**

*(1) SIF Banat-Crișana SA may acquire and hold investments only if allowed by applicable regulations.*

*(2) The Company will conduct financial investments in compliance with the regulations in force regarding portfolio diversification.*

**32. Art. 12 is amended to read as follows:**

**Art. 12 Reports.**

*The company will publish reports and statements set by the in regulations force and will comply with all reporting requirements established by law, regulations and the supervisory authority of the regulated market on which the shares issued by the company are traded.*

**33. Art. 13 is amended to read as follows:**

**Art. 13 Transparency**

*(1) The company will provide all necessary facilities and information to enable shareholders to exercise their legal and statutory rights, in accordance with applicable legal provisions.*

*(2) The company shall ensure equal treatment for all shareholders who hold shares of the same class.*

**34. Art. 14 is amended to read as follows:**

**Art. 14 Incompatibilities.**

*(1) The persons elected in the Board of Directors must meet the provisions of Law 31/1990 and capital market law and shall not be a member of another Board of Directors, supervisory board or directorate*

*of another Investment Company or Asset Management Company (SAI) and shall not be employed or have any contractual relationship with such an entity;*

*(2) May not hold managing positions in the company: members of the Board of a depository, of its executive management, holders of 5% or more of the share capital of that depository, including the persons involved;*

*(3) May not hold managing positions in the company: members of the board of a financial investment services company, of its executive management, holders of 5% or more of the shares of financial investment services companies including the persons involved.*

**35. Art. 15 is amended to read as follows:**

**Art. 15 Company's Net Assets.**

*Net assets value is calculated in compliance with applicable regulations in force. Valuation of assets managed by the company and calculation of Net assets value will be done complying to the legal provisions in force.*

**36.** Throughout articles of association, the term **"CNVM"** shall be replaced with the term **"ASF"**, the term **"register company"** shall be replaced with **"central depository"** and the term **"statute"** or **"constitutive act"** shall be replaced with the term **"articles of association"**.

RESOLUTION SUBMITTED FOR THE APPROVAL OF EGMS at **item 3** of the agenda  
– proposed by the Board of Directors

Approval of the amendment of the constitutive documents of the company by ending the validity of the Contract of the company, renaming the Statute (bylaws) of the company as Articles of Association and amend the Statute (bylaws or Articles of Association) for its adaptation to legal provisions, as proposed by the Board in the Annex to the convening notice, published in the Official Gazette of Romania.

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.