

ITEM 1 OF THE EGM AGENDA

Approval of the amendment of the Articles of Association.

By the current report of November 10, 2016, SIF Banat-Crişana informed the investors that, by Endorsement no. 296/09.11.2016, the Financial Supervisory Authority (ASF) set up for SIF Banat-Crişana to submit for the approval of the shareholders in the next Extraordinary General Meeting of Shareholders the change in the provisions of Art. 7 par. (13) c) and par. (15) of the Articles of Association to comply with the provisions of Art. 143 par. (4), Art. 111 in conjunction with the provisions of Art. 114 par. (1) and of Art. 142 of Law no. 31/1990. By Letter no. 12658/10.11.2016 ASF returned with some clarification on the agreed form of Art. 7 par. (13) letter (c) and par. (15) of Company's Articles of Association.

The current form of Art. 7 par. (13) letter c) and Art. 7 par. (15) of the Articles of Association is as follows:

- Art. 7 par. (13) letter c): *"The Board of Directors decides upon:
c) amendment of the income and expenditure budget, depending on the fluctuations in the economy;"*
- Art. 7 par. (15) – *"The Board of Directors may delegate some of its powers to a Steering Committee whose members are elected from amongst the administrators, at the same time setting their remuneration, subject to the approval of the General Meeting of Shareholders."*

The amended form of Art. 7 par. (13) letter. c) and art. 7 par. (15) of the Articles of Association, agreed by the Financial Supervisory Authority and subject to the approval of the extraordinary general meeting of shareholders is as follows:

- Art. 7 par. (13) letter c) *"submits for the approval of the general meeting of shareholders the modification of budget of revenue and expenditure, as per the fluctuations in the economy";*
- Art. 7 par. (15) *"The Board delegates some of its powers to directors (executives), establishing at the same time their remuneration, within the general limits approved by the General Meeting of Shareholders. Company's executives shall meet the minimum requirements regarding integrity, qualifications and experience as prescribed by the regulations and laws in force."*

With effect since January 1, 2017, became applicable the provisions of ASF Regulation no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority.

Pursuant to art. 8 of Regulation no. 2/2016 *"The responsibilities of the board (of directors a.n.) concerning the implementation of the principles of corporate governance shall be defined in the instruments of incorporation of the entity and shall be developed in its internal rules of organisation and operation, in accordance with the specific legislation applicable to each category of regulated entities."*

Following the publication of the convening notice for the extraordinary general meeting of shareholders, by Notification no. SI/DRA 473.3/20.03.2017, the Financial Supervisory Authority requested the company to complete the proposed text for Art. 7 par. (21), and in the meeting held on March 28, 2017, the Board of Directors of the company approved the completion of the agenda for the extraordinary general meeting of shareholders with the entries requested by the Financial Supervisory Authority.

Thereupon, in order to comply with the provisions of Art. 8 of Regulation no. 2/2016, and observing those requested by the Financial Supervisory Authority in Notification no. SI/DRA 473.3/20.03.2017, the Board of Directors submits for the approval of the EGM the introduction in art. 7 of Company's Articles of Association of par. (21) that reads as follows: *"(21) The Board of Directors has the responsibility to ensure the establishment and implementation of corporate governance principles regarding, but not limited to:*

- a) the strategic management of the company and fulfilling the set objectives;*
- b) formulation of company's business plan and evaluation of the financial position thereof;*
- c) ensuring that an appropriate framework to verify the information submitted to the regulatory and supervisory entity, upon request, concerning specific actions undertaken by the company and the verification of the manner the specific law is applied concerning the submitting of reports to regulatory and supervisory entity;*
- d) the adequacy, efficiency and update of risk management system;*
- e) the adequacy, efficiency and update of internal control-compliance system, to ensure its independence from operational and organizational and support structures within the company;*
- f) compliance with the requirements concerning outsourcing / delegating operational activities or functions;*
- g) establishing and reviewing the remuneration policy so as to ensure that all commitments relating to remuneration are correctly and responsibly structured and that the remuneration policy allows and promotes an effective risk management without leading to risk-taking exceeding the company's risk tolerance;*
- h) establishing the communication strategy with stakeholders, complying with the legal requirements;*
- i) establishing relevant criteria for monitoring the results of the executive management and the company as a whole and to annually evaluate the application of the criteria;*
- j) approval of company's risk appetite and tolerance limits, and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks the company is or might be exposed to;*
- k) ensuring the preparation and implementing of clear action plans ensuring business continuity and for emergency situations and their bi-annual evaluation in order to eliminate risks or minimize them;*
- l) ensuring the development of ethical and professional standards to ensure a professional and responsible behaviour in the company in order to prevent the occurrence of conflicts of interest."*

RESOLUTION SUBMITTED FOR THE APPROVAL OF EGM on item 1 of the agenda
 – proposed by the Board of Directors

Approval of the amendment of the Articles of Association as follows:

- Art. 7 par. (13) letter c) is amended to read as follows: *“c) submits for the approval of the general meeting of shareholders the modification of budget of revenue and expenditure, as per the fluctuations in the economy”;*

- Art. 7 par. (15) shall be amended to read as follows: *“(15) The Board of Directors delegates some of its powers to directors (executives), establishing at the same time their remuneration, within the general limits approved by the General Meeting of Shareholders. Company’s executives shall meet the minimum requirements regarding integrity, qualifications and experience as prescribed by the regulations and laws in force.”*

- The introduction in the Art. 7 of a new paragraph, paragraph (21), which shall read as follows: *“(21) The Board of Directors has the responsibility to ensure the establishment and implementation of corporate governance principles regarding, but not limited to:*

a) the strategic management of the company and fulfilling the set objectives;

b) formulation of company’s business plan and evaluation of the financial position thereof;

c) ensuring that an appropriate framework to verify the information submitted to the regulatory and supervisory entity, upon request, concerning specific actions undertaken by the company and the verification of the manner the specific law is applied concerning the submitting of reports to regulatory and supervisory entity;

d) the adequacy, efficiency and update of risk management system;

e) the adequacy, efficiency and update of internal control-compliance system, to ensure its independence from operational and organizational and support structures within the company;

f) compliance with the requirements concerning outsourcing / delegating operational activities or functions;

g) establishing and reviewing the remuneration policy so as to ensure that all commitments relating to remuneration are correctly and responsibly structured and that the remuneration policy allows and promotes an effective risk management without leading to risk-taking exceeding the company’s risk tolerance;

h) establishing the communication strategy with stakeholders, complying with the legal requirements;

i) establishing relevant criteria for monitoring the results of the executive management and the company as a whole and to annually evaluate the application of the criteria;

j) approval of company’s risk appetite and tolerance limits, and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks the company is or might be exposed to;

k) ensuring the preparation and implementing of clear action plans ensuring business continuity and for emergency situations and their bi-annual evaluation in order to eliminate risks or minimize them;

l) ensuring the development of ethical and professional standards to ensure a professional and responsible behaviour in the company in order to prevent the occurrence of conflicts of interest.”