

## ITEM 2 OF THE OGM AGENDA

### **Approval of appropriation of net profit achieved in 2018, as proposed by the Board of Directors, in one of the two options presented.**

SIF Banat-Crișana attempts to keep a balance between the remuneration of shareholders by dividend and the need to finance new investment with the reinvested profits. The strategy for the preservation of this balance aims to increase the long-term investment attractiveness for SIF Banat-Crișana shares, while keeping the potential of company's future development, ensuring the increase of the value created for shareholders.

The remuneration of SIF Banat-Crișana's shareholders is done for their benefit, both through dividend distribution, as well as by deciding to reinvest the profits or buyback of shares, for the stated purpose of increasing the value of the shares. This increase in the shareholder's capital is manifested by at least the implicit increase in the value of the share due to the favourable effect of profitable reinvestment of the capital.

Remuneration of shareholders by dividend distribution or their reinvestment, or by buyback of shares listed on the market, may bring additional benefits to shareholders over the medium and long term.

The Board of Directors proposes for the approval of shareholders the appropriation of net profit achieved in 2018 in one of two options:

#### **Option I:**

Approval of the appropriation of the net profit for the financial year 2018, in the amount of **RON 77,186,227**, on the following destinations:

#### **- Dividends RON 26,903,295.54, representing RON 0.052 gross per share**

Approval of the date of October 11, 2019 as the dividend payment date. The distribution of dividends to shareholders will be made in accordance with the legal provisions and the payment costs will be borne by the shareholders of the net dividend amount.

#### **- Other reserves RON 50,282,931.46**

**In case of the approval of this distribution of profit, it becomes obsolete and it is removed from the agenda of the EGM convened for April 22 (23), 2019, the proposal for the approval a buyback program for the reduction of company's share capital (Program I), included on item 1 of the agenda of the said meeting.**

#### **Option II:**

**Approval of appropriation of the entire net profit for the year 2018, in the amount of RON 77,186,227 to Other Reserves**, to support a buyback program.

From its own financing sources as provided by law, the Company will conduct a buyback program for 15,000,000 shares, to reduce the share capital by the cancelation of the repurchased shares. The buyback program will be conducted in accordance with the applicable legal provisions, having the following main characteristics:

- Minimum price per share: RON 0.1;
- Maximum price per share: RON 4.38;
- Duration of the program: maximum 18 months from the date of publication of the resolution in the Official Gazette of Romania Part IV.

**In case of the approval of this distribution of profit, it will be submitted for the approval of the EGM convened for April 22 (23), 2019 the resolution on item 1 on the agenda of this general meeting, regarding the execution of the buyback program for the reduction of company's share capital (Program I).**

**NOTE:** *The voting papers and the special empowerment forms contain both above-mentioned options for the appropriation of profit. Shareholders may opt to vote for one of the two variants.*

**Bogdan-Alexandru DRĂGOI**  
Chairman of the Board of Directors