

## ITEM 1 OF THE EGM AGENDA

### **Approval of the amendment of the Articles of Incorporation in the sense of reducing the number of the members of the Board from seven (7) to five (5) members, with effect from the date 24.04.2017 - date of expiry of their term in office of the current administrators – and the corresponding rewriting of Art. 7 (1) of the Articles of Association.**

Currently, pursuant to Article 7 paragraph (1) of the Constitutive Act of SIF Banat-Crișana, the company is administered by a Board of Directors consisting of 7 members.

Law no. 31/1990 regulates the minimum number of the members of the Board of Directors (administrators) for a joint stock company under art. 137, as follows:

*“(1) The joint-stock company shall be administered by one or several administrators, always in an odd number. When there are more administrators, they shall make up a board of directors.*

*“(2) The joint-stock companies whose annual financial statements are subject to a legal obligation to undergo an audit shall be administered by at least 3 administrators.”*

Pursuant to the rules and principles of a healthy corporate governance, the composition of the Board and its committees shall provide an appropriate balance in terms of competence, experience, gender diversity, knowledge and members' independence, enabling them to effectively fulfill their duties and responsibilities taken as administrators of the company. In this sense, corporate governance rules (established by the Corporate Governance Code issued by Bucharest Stock Exchange) require a board of directors composed of at least five (5) members.

In line with the principles of corporate governance, the Board of Directors of SIF Banat-Crișana believes that reducing the number of administrators can ensure a stronger cohesion of the members of the Board, a greater effectiveness and promptness in Board's activity and functioning, as well as in decision making process of the matters that fall into the competence of this body corporate.

According to Art. 204 and Art. 113 m) of Law no. 31/1990, the general competence to decide on amending articles of incorporation of a company belongs to the extraordinary general meeting of shareholders. The Board of Directors submits for the approval of the EGM the following resolution:

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

Approval of the amendment of the Articles of Incorporation in the sense of reducing the number of the members of the Board from seven (7) to five (5) members, with effect from the date 24.04.2017 - date of expiry of their term in office of the current administrators – and the corresponding rewriting of Art. 7 (1) of the Articles of Association, which shall read as follows:  
*“(1) The Company is administered by a Board of Directors comprised of 5 members (administrators) 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 interim administrators until the assembly of the general meeting of shareholders.”*