

## ITEM 7 OF THE OGM AGENDA

### **Election of a Board of Directors consisting of 5 (five) members, for a term of office of 4 years, with effect from the date of 24.04.2017.**

#### 1. ADMINISTRATION OF THE COMPANY

SIF Banat-Crișana is currently administered under a unitary system, by a Board of Directors (i.e. administrators) comprised of seven members, elected by the ordinary general meeting of shareholders for a mandate of four years, with the possibility of being re-elected.

As at December 31, 2016 the composition of the Board of Directors was as follows: Mr. Bogdan-Alexandru Drăgoi - Chairman, Mr. Octavian Avrămoiu – Vice-Chairman, Mr. Ștefan Dumitru - member, Mr. Valentin Chiser - member, Mr. Ion Stancu - member, Mr. Dan Weiler – member, and Mr. Ionel Marian Ciucioi - member. The mandate of the current Board of Directors expires on 24.04.2017.

By the resolution of the Extraordinary General Meeting of Shareholders held on August 30, 2016, it was approved the amendment of the Company's Articles of Association in the sense of reducing the number of Board members from 7 (seven) to 5 (five) members, effective starting from April 24, 2017 - the date of termination of office for the current Board of Directors - and the corresponding rewriting of Art. 7 par. (1) of the Articles of Association, namely: *"(1) The company is administrated by board of directors comprised of 5 members elected by the general meeting for a period of 4 years, with the possibility to be re-elected. In case of vacancy of one or more administrators, the other administrators shall appoint interim administrators until the assembly of the ordinary general meeting of shareholders."*

The amendment of Art. 7 par. (1) of the Articles of Association was endorsed, along with other changes of the Articles of Association, by the Endorsement no. 296/09.11.2016 issued by the Financial Supervisory Authority.

Given the presented situation, the Board of Directors included on the agenda of the general meeting of shareholders convened for April 20 (21), 2017 the item on the election of a Board of Directors (administrators) comprised of 5 members, for a term of office of four years, with effect from on 24.04.2017, the date of the current Board's termination of the mandate.

The elected administrators must cumulatively meet the general conditions stipulated by Law no. 31/1990 on trading companies, completed with the criteria established by Law no. 297/2004 regarding the capital market, and the regulations issued by the Financial Supervisory Authority (ASF) and Company's Articles of Association.

Board of Directors has decision-making powers regarding the administration of the Company in the period between the general meetings of shareholders, except for the decisions that the law or company's Articles of Association provide exclusively for the general meeting.

The Board elects from among its members a Chairman and a Vice-Chairman. As per the Articles of Association, the chairman of the Board also holds the position of CEO (general director) of the Company.

The responsibilities of the Chairman and of the Vice-Chairman are established by company's internal regulations, approved by the Board of Directors and endorsed by ASF.

The Board of Directors delegates a part of its powers to one or several Directors (executives) (the Chairman also hold the position of Chief Executive Officer or General Director), within the limits set forth by law, the articles of association and Board of Directors' decisions.

The Board of Directors has the following main duties that cannot be delegated:

- determining the main directions of activity and of the development of the Company;
- establishing the accounting policies and financial control, and the approval of the financial plan;
- appointing and removing the executive directors appointed according to Law no. 31/1990, with subsequent amendments and supplements and determining their remuneration;
- overseeing the performance of the executive directors appointed according to Law no. 31/1990;
- preparing the annual report, organising the shareholders' general meeting and implementing the resolutions adopted by the shareholders;
- submitting the application to initiate company's insolvency proceedings.

An audit committee has been set up within the Company's Board of Directors body, with a consultative function, consisting of three non-executive members of the Board, assisting the Board of Directors in fulfilling the responsibilities in matters concerning financial reporting, internal control and risk management.

## 2. THE PROCEDURE FOR ELECTING THE ADMINISTRATORS

The term of office of the administrators (Board members) who will be elected by the general meeting will be of 4 years, starting 24.04.2017.

The election of Board members is done by *secret voting*, according to Art. 130, par. (2) of Law no. 31/1990 and Art. 6, par. (20) of Company's Articles of Association.

On item 7 of the agenda requiring secret voting, the shareholders present or represented at the OGM meeting shall only use the voting manner provided by the Company for voting, ensuring the secrecy of voting, and will not vote in any circumstances openly, by show of hands.

As for the votes cast by correspondence previously to the OGM meeting, the votes by correspondence cast by shareholders will be revealed only to OGM Secretariat, at the moment when the other votes secretly cast by the shareholders present or shareholders' representatives attending the meeting are revealed.

The Company made sure by internal procedures adopted that votes cast by shareholders on the item of the agenda requiring secret ballot remain confidential.

The registration of candidates on ballot papers (ballot papers in the meeting-room, correspondence voting forms and on special proxies) was performed in the chronological order of filing the application files.

The candidates are listed on ballot papers on item 7 of the agenda. These documents are drafted so that shareholders can express their vote "For", "Against" or "Abstain" for each candidate registered on the list.

The vote is expressed by marking an "X" in the corresponding box for each candidate, according to the voting option: "For", "Against" or "Abstain". The voting option "For" shall be marked **for no more than 5 candidates**, the number of seats in the Board.

The Secretariat of OGM will count the valid votes expressed by the shareholders and representatives attending the meeting and the votes expressed by correspondence, according to the option "For", "Against" and "Abstain" for each candidate.

Shall be declared elected **the first 5 (five) candidates** ranked in descending order of the number of votes "For" obtained, provided that the votes obtained represent 50% plus one of the total valid votes cast in the general meeting of shareholders.

The detailed voting procedure is available for the shareholders on Company's website at [www.sif1.ro](http://www.sif1.ro).

Following their election by the OGM, the administrators elected must expressly accept the appointment as administrator, in accordance with the provisions of art.153 ^ 12 par. (3) of Law no. 31/1990. The elected administrators will be subject to authorization by the Financial Supervisory Authority, in accordance with the provisions of ASF Regulation no. 14/2015.

### 3. LIST OF CANDIDATES FOR ADMINISTRATOR SEATS

Pursuant to the provisions of art. 137^1 of Law no. 31/1990, current members of the Board of Directors, or shareholders have the right to nominate the candidates for administrator seats (member of the Board of Directors).

Starting March 10, 2017, the Company published on its website, in GMS section, the list of documents for the application file and the eligibility criteria and incompatibilities for administrators of SIF Banat-Crişana. The deadline for filing the candidatures was March 17, 2017 at 16:00 and it was mentioned in the Convening Notice of the general meeting of shareholders.

The registration of candidates in the list below and on the voting documents (ballot papers in the meeting-room, correspondence voting forms and special proxies) is done in the chronological order of candidatures' submission.

The list of persons who have submitted their candidature files, in chronological order of their registration at the Company is as follows:

	<b>First name and last name</b>	<b>Domicile</b>	<b>Professional qualification</b>	<b>Proposed by</b>
1	Bogdan-Alexandru Drăgoi	Bucharest	Economist	Board of Directors
2	Octavian Avrămoiu	Bucharest	Legal adviser	Board of Directors
3	Ion Stancu	Bucharest	Economist	Board of Directors
4	Dan Weiler	Bucharest	Economist	Board of Directors
5	Ionel-Marian Ciucioi	Bucharest	Economist	Board of Directors
6	Marcel Heinz Pfister	Triesen - Liechtenstein	Economist	Shareholder
7	Radu Răzvan Străuț	Brad	Legal adviser	Shareholder
8	Sorin Marica	Bucharest	Economist	Shareholder

Information regarding the candidates are available for inspection by the shareholders on Company's website, [www.sif1.ro](http://www.sif1.ro)

RESOLUTION SUBMITTED FOR THE APPROVAL OF OGM at **item 7** of the agenda  
– proposed by the Board of Directors

Election of the Board of Directors of SIF Banat-Crişana, consisting of 5 members, for a term of office of 4 years, with effect from the date of 24.04.2017, in the following composition:

1. ....
2. ....
3. ....
4. ....
5. ....