

TOPIC 5 and 6 ON THE EGM AGENDA

The viewpoint of SIF Banat-Crişana's Board of Directors concerning the motions of the shareholders grouped around SIF Oltenia

SIF Banat-Crişana informed the investors, on February 6, 2020, about the request of the group of shareholders acting in concert with SIF Oltenia SA to amend the agenda of the extraordinary general meeting of SIF Banat-Crişana SA shareholders, convened for March 10 (11), 2020, requesting the inclusion of the following items on the agenda:

"1. Approval of reducing the company's share capital by cancelling a number of 72,842,636 shares held by SIF Muntenia S.A., Opus Chartered Issuances SA/AA Luxembourg and Roumanian Strategy Fund AA/Vaduz according to art. 107¹ in relation to 104¹ par. (3) of Law no. 31 / 1990R, with the amount of RON 7,284,263.6, from RON 51,746,072.40 to RON 44,461,808.8.

2. Approval of the suspension of the voting right for a number of 72,842,636 shares held by SIF Muntenia SA, Opus - Chartered Issuances SA/AA Luxembourg and Roumanian Strategy Fund AA/Vaduz until the registration of the share capital reduction."

The Board of Directors of SIF Banat-Crişana supplemented the agenda of the EGM convened for March 10 (11), 2020 with the topics requested by the shareholders, complying with the legal provisions in this matter.

The opinion of SIF Banat-Crişana's Board of Directors concerning the request of the SIF Oltenia group

Following the analysis of the request received from the shareholders of the SIF Oltenia SA group, performed by specialized departments, the management of SIF Banat-Crişana S.A. ("SIF Banat-Crişana" or "The Company") concluded that the request received represents, on the substance, an abusive exercise of shareholder rights which, if adopted, would have the effect of restricting or suppressing the rights of other shareholders, because the topics requested by the group acting in concert to be included on the agenda of the meeting aim *to cancel* shares held by other shareholders of SIF Banat-Crişana and the suspension of the voting right attached to these actions, without a legal basis.

The provisions of art. 104¹ and of art. 107¹ of Law no. 31/1990 take into account the shares held by the company and not the shares held by the shareholders of the company. **The shares whose cancellation is requested by the applicants were not acquired in accordance with art. 103¹ of Law no. 31/1990, and the Company has not ever authorized or approved, neither directly nor indirectly, the acquisition of shares by other persons on behalf of the Company.**

Faced with this reality, **the SIF1 shares held by the shareholders SIF Muntenia SA, Opus Chartered Issuances SA Luxembourg and Romania Strategy Fund Vaduz are their own shares, held in their own name and owned exclusively by them.**

As such, failing to find us in the hypothesis provided in art. 103¹ of Law no. 31/1990, the violation of the conditions provided for in this article cannot be detained in order to become applicable the provisions of art. 104¹ par. (3) of Law no. 31/1990 regarding *the cancellation of the shares held by the company*.

Therefore, the provisions of art. 104¹ par. (3) of Law no. 31/1990 invoked by applicants for the cancellation of the shares acquired by the company are not applicable to SIF1 shares held by some shareholders in their own name. Considering that the provisions provided in articles 103¹, 104¹ and 107¹ of Law no. 31/1990 are special provisions, which apply only in the express and limiting cases provided by law, respectively in the case of shares acquired and held by the company, the Company could not legally decide, in the EGMS, to cancel the shares held by some shareholders, as so requested by the shareholders of the SIF Oltenia SA group.

In short, the legal provisions invoked by the SIF Oltenia group are not incident to the shareholdings presented because:

(i) Art. 107¹ of Law no. 31/1990 has in view the exercise of significant control or influence by means of holding a stake in a company. SIF Banat-Crișana does not hold the majority of voting rights in SIF Muntenia SA. The holding of shares issued by SAI Muntenia Invest SA, the manager of SIF Muntenia SA, does not confer the power to exercise a significant influence over the decision in the general meetings of SIF Muntenia SA shareholders, as the manager does not hold voting rights in the meeting and is subordinated to the shareholders' decisions. **As such, it cannot be held that the shares held by the shareholder SIF Muntenia SA in SIF Banat-Crișana SA would be shares owned by SIF Banat-Crișana SA itself;**

(ii) SIF Banat-Crișana SA does not hold voting rights within the managers of funds Opus Chartered Issuances SA Luxembourg and Romania Strategy Fund Vaduz, as such, **it cannot be held that the shares held by these funds in SIF Banat-Crișana SA would be shares owned by SIF Banat-Crișana SA itself.**

(iii) SIF Banat-Crișana SA does not even own financial instruments issued by Opus Chartered Issuances SA and therefore any discussion regarding the rights attached to them is irrelevant;

(iv) The fund units owned by the Romania Strategy Fund Vaduz don't have any rights attached granting SIF Banat-Crișana the possibility to intervene in the investment policy of the fund, to impose the acquisition or sale of certain financial instruments in its portfolio or to exercise in a certain manner the rights attached to the financial instruments held by the fund;

(v) The fund units held by SIF Banat-Crișana do not grant the Company rights similar to the rights that the investors in shares have. The SIF Oltenia Group, with the obvious risk of misleading, makes a serious confusion between **investing in fund units** and **investing in shares**, in terms of investor rights. The SIF Oltenia group incorrectly uses the phrase "weight in the fund's share capital", suggesting a situation that would give the right of control when exceeding a certain level of ownership and that is valid only in the case of shares. Owning fund units gives the holder the right only to a corresponding part of the fund's profit or loss and represents a certain weight in its net assets without having any influence on the rights of the underlying assets held by the fund;

(vi) SIF Banat-Crișana has contributed with cash in the assets of the funds and will withdraw cash on divestment, having no rights over the underlying assets held by the funds. Therefore, SIF Banat-Crișana has only a right to the potential benefits offered by the mix of assets owned by the fund and acquired by it following the implementation of the investment policy of the funds, included in the documents of incorporation (prospectus, articles of incorporation, etc.).

Therefore, **since the shares of SIF1 whose cancellation / suspension of voting rights are requested belong to shareholders of the Company and not to the Company itself, these shareholders have the exclusive right of ownership over the respective shares, including with respect to the voting rights, which cannot be arbitrarily or abusively restricted by other shareholders by their vote at the general meeting of shareholders.**

In conclusion, in the opinion of the Board of Directors, the motion of the SIF Oltenia group to cancel the SIF1 shares held by some shareholders of the Company and to suspend their right to vote until their cancellation is unfounded and unlawful. By a possible arbitrary or abusive cancellation of the shares held by some shareholders, the right of private property of the investors on the shares would be violated, right guaranteed by art. 44 par. (2) of the Constitution of Romania, by the international treaties to which Romania is a party and provided for in art. 555 of the Civil Code.

Position of the Financial Supervisory Authority regarding the request of the SIF Oltenia group

Taking into account the above mentioned reasoning, SIF Banat-Crişana addressed to the Financial Supervisory Authority, requesting, among other things, to inform on the conclusions regarding the compliance with the provisions in force of the topics requested by the SIF Oltenia SA shareholders group to be included on the agenda of the extraordinary general meeting of to the shareholders of SIF Banat-Crişana convened for March 10 (11), 2020, especially with those of investor protection and assurance of confidence in the capital market and in investments in financial instruments.

By letter no. 1372/17.02.2020, published by SIF Banat-Crişana together with the Current Report from the same date, the Financial Supervisory Authority has ascertained the illegality of the request of the shareholders of the SIF Oltenia SA group and has stated the following:

"- no information / data / elements were found in the analysis to lead to the conclusion that SIF Muntenia, Opus Chartered SA / AA Luxembourg and Romania Strategy Fund act in concert with regard to SIF Banat-Crişana SA and, as a consequence, they exceed the shaeholding limit of 5% of the share capital of SIF Banat-Crişana SA;

- The justifications of the topics proposed to be introduced on the agenda presented by the representatives of SIF Oltenia and of the other shareholders do not fall within the legal provisions regarding the concerted action and the operation of reducing the share capital;

- In these conditions, ASF will not be able to approve any corporate operation (in case concerning a possible reduction of the share capital) that does not meet the legal conditions and which is likely to infringe, outside the legal framework, the property right of the shareholders."

Moreover, the position of the authority was also expressed before, before the extraordinary general meeting of SIF Oltenia SA of May 9, 2019 (SIF Oltenia press release no. 3556 / 23.04.2019), the authority noting that the specific legislation in this matter does not include in the area of any presumption of acting in concert the investors in an investment fund. If an investment fund invests in the shares of an issuer, the holder of all rights and obligations associated with the shareholder capacity of the company is the investment fund, through its manager, including what concerns the participation in the GMS and the vote on the topics on the agenda. At the same time, in accordance with the applicable law and the funds' documents of incorporation, the holders of the fund units are not entitled / able to influence / instruct the issuer of the financial instrument regarding the exercise of the right to vote at the general meeting of the shareholders.

The position of the authority in this matter is clear and unambiguous, being in accordance with the applicable legal regime in the matter, and with the position of SIF Banat-Crişana's Board of Directors.

CONCLUSION

Concerning those stated above, because formally the request to supplement the agenda complied with the conditions required by law, the board of directors, in accordance with the law and with the ASF position, has supplemented the agenda, but at the same time, warns the shareholders of SIF Banat-Crişana that the SIF1 shares held by SIF Muntenia SA, Opus Chartered Issuances SA Luxembourg and Romania Strategy Fund Vaduz do not represent shares held indirectly by SIF Banat-Crişana, being shares belonging exclusively to their holders, thus on the substance the motions of the group of shareholders grouped around SIF Oltenia, introduced on the agenda of the EGMS of March 10 (11), 2020 do not comply with the legal provisions in this matter, infringing the legitimate rights of the shareholders, and cannot be enforced in case they attain the number of votes provided by law and by the constitutive act to be approved.