

PROPOSAL

Shareholders' General Extraordinary Meeting of SIF MUNTENIA SA as of 23/24 April 2020

ITEM 3 OF THE AGENDA

Approval for SIF Muntenia to carry out a Share Redemption Program of own shares.

The Program will be initiated only if the Shareholders General Ordinary Meeting convened for the same day, at 9:30 a.m., will approve the distribution of the net profit achieved in 2019, amounting to 111,913,700 Lei according to OPTION II of item 4 on the agenda.

The Share Redemption Program will be conducted in accordance with the applicable legal provisions, with the following main features:

Scope of the program: share capital reduction

Maximum number of shares: 20,645,201

Minimum price per share: 0.1 lei

Maximum price per share: 2,03 lei

Duration of the program: maximum 18 months from the date of publication of the decision in the Official Gazette of Romania Part IV.

Payment of the shares redeemed under the Program will be made from sources provided by the law.

The redemption program will include other requirements imposed by the specific legislation, and the purchase of the shares under the Program will take place through all the market operations permitted by the specific legislation, which may also include public purchase offers initiated by the Company.

Approval for the empowerment of SAI Muntenia Invest SA, to take all necessary measures and to fulfill all required formalities, for the implementation of the Redemption Program, in compliance with the above-mentioned main features.

According to the provisions of **art. 103 ^ 1** of the Companies **Law no. 31/1990**, republished, as subsequently amended and supplemented, the redemption of shares may take place under the following conditions:

„a) authorization to acquire its own shares is granted by the extraordinary general meeting of shareholders, which will determine the conditions of this acquisition, especially the maximum number of shares to be acquired, the duration of the authorization which can not be longer than 18 months from the date of publication the decision in the Official Gazette of Romania, Part IV, and, in the case of an acquisition for consideration, their minimum and maximum value;

b) the nominal value of own shares acquired by the company, including those already in its portfolio, may not exceed 10% of the subscribed share capital;

c) the transaction may only deal with fully exempt shares;

d) payment of the shares thus acquired shall be made only from the distributable profit or available reserves of the company, registered in the last approved annual financial statement, except for the legal reserves”.

In accordance with **Art. 105** of the **Law no. 31/1990** on companies, the shares acquired by the company do not give the right to dividends during the period of their holding by the company. According to the same article, the voting right conferred by the shares acquired by the company will be suspended during the period of their holding by the company.

Art. 120 of the **Law no. 297/2004** on the capital market stipulates that the provisions regarding the closed-end investment companies shall also apply accordingly to the financial investment companies, established according to the provisions of Law no. 133/1996 for the transformation of the Private Property Funds into financial investment companies, called S.I.F.

Art. 119 paragraph (2) of the **Law no. 297/2004** on the capital market, applicable to closed-end investment companies, provides that *"closed-end investment companies may redeem their own shares, under the conditions provided by Law no. 31/1990 and in compliance with NSC regulations"*

The share redemption program by SIF Muntenia SA, proposed submitted to the approval of the of Shareholders General Extraordinary Meeting, aims at canceling the shares to be acquired by the company, followed by the reduction of the share capital.

The main objectives of the redemption program are to reduce the discount between the net asset and the trading price, the increase of the unit asset and the liquidity of SIF4 shares in the market. The execution of the share redemption program creates the premises for a possible increase of the shareholders' returns, in the case of appreciation of the stock quotes.

The total cost of the redemption program subject to shareholders' approval is influenced by the following main factors: the purchase price of the redeemed shares, transaction costs (e.g., brokerage fees and other costs including regulatory bills), the number of shares redeemed under the program.

The Company will adequately inform investors of the total cost of the redemption program and the impact on equity after the program is implemented.

The implementation of this redemption program will be made from *own sources* as provided by law.

Taking into consideration all of the above, SAI MUNTENIA INVEST SA, administrator of SIF MUNTENIA, proposes to adopt the following Resolution:

” Approval for SIF Muntenia to carry out a Share Redemption Program of own shares.

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The redemption program will include other requirements imposed by the specific legislation, and the purchase of the shares under the Program will take place through all the market operations permitted by the specific legislation, which may also include public purchase offers initiated by the Company.

Approval for the empowerment of SAI Muntenia Invest SA, to take all necessary measures and to fulfill all required formalities, for the implementation of the Redemption Program, in compliance with the above-mentioned main features. ”

SIF MUNTENIA SA

by Administrator

SAI MUNTENIA INVEST SA

General Director,

Nicușor Marian Buică