

Shareholders' General Extraordinary Meeting of SIF MUNTENIA SA as of 02/03 July 2020

PROPOSAL REGARDING ITEM 2 OF THE AGENDA

Approval of the amendment of the Articles of Incorporation of the company, in order to correlate with the provisions of Law no. 243/2019 on the regulation of alternative investment funds and for amending and supplementing of some normative acts

The Administrator of SIF Muntenia SA, SAI Muntenia Invest SA, had constantly pursued the legislative process to adopt the Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts, published in the Romanian Official Journal, Part I, no. 1035 from 24.12.2019 and in force beginning with 24.01.2020.

The modifications made on the regulatory framework applicable to SIF Muntenia through the precise provisions of art. 79 of the Law no. 243/2019 and the legal consequences stipulated by this article have been in the attention of the Administrator of SIF Muntenia SA from the publishing of the law in the Official Journal. Thereby the necessary steps have been made for the convening of the SGEM on 11.03.2020. According to the SGEM Decisions from 11.03.2020, were eliminated from the Articles of Incorporation of the company the provisions taken from the art. 286¹ of the Capital Market Law no. 297/2004 regarding the repeal on holding limits of 5% of the share capital of financial investments companies. The amendments of the Company's Articles of Incorporation regarding the repeal of these provisions were authorized the Financial Supervisory Authority (ASF) by Authorization no. 59/30.04.2020 and will produce effects starting on 24.07.2020, the date when art. 286¹ Law no. 297/2004 is repealed according to art 81 line (3) Law no. 243/2019, that is 6 months after the coming into force of Law no. 243/2019.

The ASF Regulation no. 7/2020 regarding the authorization and functioning of the alternative investment funds, published in the the Romanian Official Journal, Part I, no. 335 from 24.04.2020 stipulates at art. 72 parag. (1) the following:

“Art. 72. - (1) A.I.F.M, both for themselves and for the non-UCITS managed, the non-UCITS self manages and the depositories that function or and in pending of authorization/registration at the time of entering in force of the present regulation, are obliged, within the term stipulated at art. 79 parag. (1) of the Law no. 243/20019:

- a) to adapt their constitutive and functioning documents, as well as their activity, to the provisions of the Law no. 243/20019;*
- b) to request the authorization as or and to submit the request forms and the documentation in this regard.”*

The modifications of the Articles of Incorporation of SIF Muntenia proposed for the approval of the shareholders in the SGEM convened for 02/03.07.2020 target mainly the adaptation of this document to the provisions of Law no. 243/2019 and of the Regulation no. 7/2020 issued for the

application of the law, respectively the compliance of SIF Muntenia with the legal provisions regarding an alternative investment fund for retail investors, diversified, managed by an A.I.F.M.

The modifications of the Articles of Incorporation of SIF Muntenia proposed by the administrator target as well the following:

- Elimination/reformulation of some obsolete articles;
- The amendment of the competencies of the SGOM and SGEM, according to the law, with provisions regarding the appointment of the external AIFM, the approval of the management contract, the possibility to change the company's management type, the consolidation or splitting of the share nominal value.

Considering the request to complete / revise the agenda of the extraordinary general meeting of the shareholders of SIF Muntenia SA, formulated by the Financial Supervisory Authority through the address no. SI/DRA 22602.5/18.06.2020, received at SAI Muntenia Invest SA on 18.06.2020, item 2 on the agenda of SGEM was modified and completed as follows:

- **at Art. 2 of the Articles of Incorporation of SIF Muntenia parag. (4) was deleted, respectively:**

"(4). The company is the successor of the Muntenia Financial Investment Company S.A. (...)"

- **at Art. 5 of the Articles of Incorporation of SIF Muntenia a new paragraph was added and it was revised the last but one paragraph, respectively it was introduced the information stipulated at art. 5 parag. (1) and (2), and at art. 20 parag. (2) from the law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts, as follows:**

"(4) The limitation or temporary suspension of the issue (increase of share capital) and / or redemption of the shares of SIF MUNTENIA SA can be performed only in exceptional situations and only to protect the interest of investors and in compliance with legal regulations in force. The exceptional situations that can determine the temporary suspension are: the appearance of a unforeseeable case / force majeure; decision of the FSA and / or the operator of the regulated market on which the units are traded. The initial period of suspension may be extended if the conditions and the reason(s) for suspension are maintained. The temporary suspension of the issue and / or redemption of the shares of SIF MUNTENIA SA may also occur in other exceptional situations that may occur during the period of operation of the fund and which could not be reasonably anticipated at the date of approval of this Articles of Incorporation . " (...)

"(6) The company may repurchase its own shares in accordance with the legal provisions in force of repurchase of shares by a company admitted to trading on a regulated market. The company cannot comply with the redemption requests made by investors for the shares they hold, prior to the start of the liquidation phase of the fund."

- **at Art. 13 parag. (2) of the Articles of Incorporation of SIF Muntenia was revised as follows:**

"(2) The duration of the mandate of the administrator of SIF MUNTENIA SA is 4 years"

Taking into consideration all of the above, it is proposed to adopt for the Item 2 of the Agenda, the following Resolution:

Approval of the amendment of the Articles of Incorporation of the company, in order to correlate with the provisions of Law no. 243/2019 on the regulation of alternative investment funds and for amending and supplementing of some normative acts, as follows:

Art. 1 paragraph (2) is amended and will have the following content:

”(2). The legal form of SIF MUNTENIA S.A. is a joint stock company, a Romanian legal entity, organized in the form of an investment company, classified as an alternative investment fund for retail investors, diversified, externally managed. ”

Art. 1 paragraph (4) is deleted.

Art. 1, paragraphs 5, 6 and 7 are re-numbered and become 4, 5 and 6

Art. 2 paragraph (1) is amended and will have the following content:

*”(1). The main field of activity: Financial brokerage except insurance and pension funding activities, NACE code 64, and the main object of activity is "Mutual funds and other similar financial entities." **NACE CODE - 6430.** ”*

Art. 5 is amended and will have the following content:

”(1). The shares of SIF MUNTENIA S.A. are negotiable and transferable under the conditions provided by the legislation in force.

(2). The trading of the shares issued by SIF MUNTENIA S.A. will be done only on a regulated market.

(3). The trading of the shares of SIF MUNTENIA S.A. is subject of the rules applicable to the regulated market on which these shares are traded.

(4). The limitation or temporary suspension of the issue (increase of share capital) and / or redemption of the shares of SIF MUNTENIA SA can be performed only in exceptional situations and only to protect the interest of investors and in compliance with legal regulations in force. The exceptional situations that can determine the temporary suspension are: the appearance of a unforeseeable case / force majeure; decision of the FSA and / or the operator of the regulated market on which the units are traded. The initial period of suspension may be extended if the conditions and the reason(s) for suspension are maintained. The temporary suspension of the issue and / or redemption of the shares of SIF MUNTENIA SA may also occur in other exceptional situations that may occur during the period of operation of the fund and which could not be reasonably anticipated at the date of approval of this Articles of Incorporation.

(5). The company may issue new shares in compliance with the legal regulations for increasing the share capital.

(6). The company may repurchase its own shares in accordance with the legal provisions in force of repurchase of shares by a company admitted to trading on a regulated market. The company cannot comply with the redemption requests made by investors for the shares they hold, prior to the start of the liquidation phase of the fund.

(7). The company may cancel the shares issued only in the cases provided for by the applicable law."

Art. 6 paragraph (4) is amended and will have the following content:

“(4). In addition to debating other issues on the agenda, the Shareholders General Ordinary Meeting is required:

- a) to discuss, approve or modify the annual financial statements, based on the reports of the administrator SAI MUNTENIA INVEST S.A. and of the financial auditor;*
- b) to set the value of the amount to be distributed as dividends according to the legal provisions;*
- c) to elect and revoke the members of the Shareholders' Representative Council;*
- d) to appoint the external administrator in accordance with the legal provisions and to revoke the mandate granted to him;*
- e) to approve the management contract to be concluded with the external administrator;*

- f) *to appoint and dismiss the financial auditor and set the minimum duration of the financial audit contract;*
- g) *to establish the remuneration of the members of the Shareholders' Representative Council;*
- h) *to rule on the administration of the company;*
- i) *to establish the revenue and expenditure budget and the management strategy for the following financial year;*
- j) *to decide the pledge, lease or closure of one or more units of SIF MUNTENIA S.A.”*

Art. 6 paragraph (7) is amended and will have the following content:

“(7) The Extraordinary General Meeting will be convened whenever necessary and, unless the applicable law provides otherwise, will adopt decisions on the following issues:

- a) *changing the legal form of SIF MUNTENIA S.A. and / or changing the form of administration;*
- b) *moving the headquarters of SIF MUNTENIA S.A.;*
- c) *the changing the field of activity of SIF MUNTENIA;*
- d) *the establishment or dissolution of branches, subsidiaries, representative offices, agencies or other such units without legal personality of SIF MUNTENIA S.A.;*
- e) *the increasing of the share capital;*
- f) *the issuance of bonds;*
- g) *the decreasing of the share capital or its replenishment through the issuance of new shares, according to the legal provisions in force;*
- h) *the merger with other companies or the division of SIF MUNTENIA SA;*
- i) *the early dissolution of SIF MUNTENIA S.A.;*
- j) *the conversion of shares from one category to another;*
- k) *the conversion of a category of bonds into another category of bonds or into shares;*
- l) *the acquisition of its own shares by SIF MUNTENIA S.A., either directly or through persons acting in its own name, but on its behalf;*
- m) *the consolidating or splitting of the nominal value of the share;*
- n) *any other additions and amendments to the articles of incorporation or any other decisions which, in accordance with these Articles of Incorporation and the legal provisions in force, require the approval of the Shareholders General Extraordinary Meeting.”*

Art. 7 paragraph (3) lett. a) is amended and will have the following content:

“(3). Individuals who can run for a seat on the Shareholders' Representatives Council of SIF MUNTENIA S.A. must meet the following conditions:

- a) *not to be employees or administrators of a AMC / AIFM or of another financial investment company and not to have any contractual relationship with SIF MUNTENIA S.A. or with the AIFM that manages SIF MUNTENIA S.A.;*”

Art. 12 is renamed and amended and will have the following content:

“Art. 12 Prudential rules on investment policy

- (1). *The investment policy and prudential rules are established by SAI MUNTENIA INVEST S.A. and will be regulated in the Operating Documents of SIF MUNTENIA S.A., in compliance with the investment limitations provided by the applicable legal regulations in force.*
- (2). *The prudential rules regarding the investment policy of SIF MUNTENIA S.A. will comply with the applicable legal regulations.*
- (3). *Subject to the restrictions imposed by this Articles of Incorporation, the Management Contract and the applicable legislation in force, all decisions regarding the acquisition, sale*

and exercise of all the rights and obligations in relation to the assets of SIF MUNTENIA S.A. will be exercised by SAI MUNTENIA INVEST S.A.

- (4). *The administrator of SIF MUNTENIA S.A. has the following obligations:*
- a. *To publish the prudential rules regarding the investment policy on the website www.sifmuntenia.ro;*
 - b. *To notify the FSA of any changes to the prudential rules on investment policy;*
 - c. *To notify the investors regarding any change in the prudential rules regarding the investment policy through a current report that will be made public through the website www.sifmuntenia.ro and through the information dissemination system of the Bucharest Stock Exchange.”*

Art. 13 is amended and will have the following content:

“(1). The administration of SIF MUNTENIA S.A. is performed on the basis of an Administration Contract concluded with SAI MUNTENIA INVEST S.A., AIFM registered in the FSA Register with no. PJR07.1AFIAI / 400005 / 21.12.2017, approved by the Shareholders General Meeting of SIF MUNTENIA S.A.

- (2). *The duration of the mandate of the administrator of SIF MUNTENIA SA is 4 year.*
- (3). *SIF MUNTENIA S.A. will pay a monthly management fee calculated in accordance with the provisions of the Administration Contract, within the maximum limit approved by the Shareholders General Meeting of the company. Depending on the way in which SAI MUNTENIA INVEST S.A. meets the performance criteria and objectives established annually by the Shareholders General Meeting, SIF MUNTENIA S.A. will pay SAI MUNTENIA INVEST S.A. a proper performance fee calculated in accordance with the provisions of the Administration Contract.*
- (4). *SAI MUNTENIA INVEST S.A. is obliged to make public, through the website www.sifmuntenia.ro, the remuneration policy.*
- (5). *The remuneration policy will be compatible with the business strategy, objectives, values and interests of SIF MUNTENIA S.A., as well as with the interests of its investors, including measures to avoid conflicts of interest.”*

Art. 14 is amended and will have the following content:

“(1). The value of the net assets of SIF MUNTENIA S.A. will be calculated in accordance with the provisions of the legislation in force.

- (2). *The net asset value (NAV) of SIF MUNTENIA S.A. is calculated monthly, for the last working day of each month according to the provisions of the applicable legal regulations and of the Operating Documents of SIF MUNTENIA S.A.*

The calculation formula of the NAV is:

$$\text{NAV} = \text{Total value of assets} - \text{Total value of debts} - \text{Total value of income recorded in advance}$$

Where:

The total value of the assets from the portfolio of SIF MUNTENIA S.A. is determined for each day of calculation of the NAV in compliance with the rules specified in the Operating Documents of SIF MUNTENIA S.A.

The total value of the debts is determined based on the information taken from the accounting of SIF MUNTENIA S.A. organized and conducted in accordance with the legal provisions in force, respectively from the closed balance sheet for the month for which the NAV is determined.

- (3). *The net asset value per share (NAV per SHARE) will be equal to the NAV divided by the number of shares issued and outstanding (no. Sh).*

The calculation formula of the NAV per SHARE is: NAV / no. Sh.

Where:

Number of issued shares outstanding (no. Sh.) = with the total number of issued shares - treasury shares - number of shares related to certificates of deposit or certificates of interest of own shares repurchased and held at the reporting date.

- (4). NAV and NAV per SHARE will be calculated by the administrator of SIF MUNTENIA S.A. and will be certified by the Depositary of SIF MUNTENIA S.A. within a maximum of 15 calendar days from the end of the month for which the NAV is determined.*
- (5). NAV and NAV per SHARE will be made public by the administrator of SIF MUNTENIA S.A. on the website www.sifmuntenia.ro and through the information dissemination system of the Bucharest Stock Exchange.*
- (6). The administrator of SIF MUNTENIA S.A. has the following obligations in relation with the rules regarding the valuation of the assets of SIF MUNTENIA S.A.:*
 - a. To publish these rules on the website www.sifmuntenia.ro, .*
 - b. To notify FSA of any changes of these rules at least 30 days before the date of the first net asset value is calculated using the amended rules,*
 - c. To notify the investors in connection with any modification of the above mentioned rules through a current report that will be made public on the website www.sifmuntenia.ro and through the information dissemination system of the Bucharest Stock Exchange."*

Art. 15 is amended and will have the following content:

"(1). SAI MUNTENIA INVEST S.A. is obliged to conclude a depositary contract with a depositary approved by FSA.

(2). The activities that the depositary will carry out will be in accordance with the legal provisions and the FSA regulations in force and will be specified in the depositary contract.

(3). The conditions for replacing the depositary, as well as the rules for ensuring the protection of the shareholders in such situations, will be provided in the Operating Documents of SIF Muntenia S.A., in compliance with the legal provisions in force."

SIF MUNTENIA SA
by Administrator
SAI MUNTENIA INVEST SA

Nicușor Marian Buică
General Director