

## PROPOSAL

### SIF MUNTENIA SA Shareholders General Ordinary Meeting of 23/24 April 2020

#### ITEM 9 OF THE AGENDA

**Approval of the appointment of SAI Muntenia Invest SA as Sole Administrator of SIF Muntenia S.A., who will also exercise the quality of alternative investment fund manager, for a 4 (four) year mandate, starting with the approval date by the Shareholders General Ordinary Meeting (secret vote)**

**Brief history of the legal acts that have been the basis of the administration of SIF MUNTENIA SA since 1997**

According to Law no. 133/1996, the Private Property Fund IV Muntenia was transformed into "Societatea de Investiții Financiare Muntenia - S.A.", with the headquarters in Bucharest, in compliance with the provisions of the Government Ordinance no. 24/1993, NSC Regulation no. 9/1996 and Law no. 52 / 1994. According to the provisions of art. 15 of the GO no. 24/1993:

*"The contract and the statute of an investment company will be drawn up in accordance with the regulations issued by the Securities Agency regarding their minimum form and content.*

*The internal regulations of an investment company and, if applicable, its management contract will be drawn up in compliance with the provisions of this ordinance and the regulations of the Securities Agency.*

*Upon the approval of the Securities Agency, investment companies may conclude management contracts with an authorized investment management company.*

*The Securities Agency will authorize the operation of an investment company, without the conclusion of a management contract, only if such a company proves the existence of adequate resources, structures and organizational and management capabilities.*

*Investment companies must specify in their company contracts and statutes one of the two operating modalities provided under para. 3 and 4 of this article."*

The Contract and the Statute of Societatea de Investiții Financiare Muntenia SA, as operating documents, were drawn up in accordance with the above specified legislation and were adopted in the Shareholders General Assembly of 17.04.1997.

At the same time, art. 3 of Title II of NSC Regulation no. 9/1996 provided that:

*"(1) The contract and the statute of a collective investment company in transferable securities will be drawn up in accordance with the general provisions of Law no. 31/1990 regarding trading companies and with the special provisions contained in this regulation.*

*(2) The company's contract and statute will contain, as special provisions, the following:*

- the company's object of activity is exclusive and consists in "mobilizing the financial resources available from individuals and legal persons and their investment in securities";*
- the subscribed and paid-up share capital is exclusively in cash;*

- *the shares issued by the investment company will be exclusively in registered form and will be paid in full at the time of subscription;*

- *the first directors of the company, as well as its steering committee, will be appointed by the company contract and will have to prove their professional qualification as well as their qualities (to enjoy a good reputation in the company, to have no judiciary record, never to have been involved in public scandals, of any kind);*

- *specifying the way of operation of the company from its management point of view, respectively if the investment company will not carry out its activity under a management contract or will conclude a management contract with an authorized management company; in the latter case, the management company and the person empowered by the investment company to negotiate the contract, as well as the limits of its powers, must be specified;*

***- the provision that, in the case of the company that operates on the basis of a management contract, the board of directors of the investment company will have, as regards its relationship with the management company, both the rights and obligations granted to it by Law no. 31/1990, as well as the rights and obligations provided under NSC regulations for the Board of Trustees of the Open Investment Fund. The contract will stipulate these special rights and obligations;”***

Taking into account the above mentioned provisions, both the Company Contract authenticated under no. 2247/15 May 1997 by notary Dan Tătaru, as well as the Company's Statute mentioned that SIF Muntenia will operate on the basis of a management contract to be concluded with SAI MUNTENIA INVEST SA (art. 1 paragraph 5 of the Statute and art. 2 of the Contract).

In addition, we mention that art. 7 of the Company Statute regulated the Board of Directors which was subject to the provisions of Law no. 31/1990, the members being elected for a 4-year term, with the possibility of being re-elected and registered with the National Trade Register Office. We mention that, until the entry into force of Law no. 297 / 2004, SIF MUNTENIA SA had a Board of Directors elected according to the provisions of Law no. 31 / 1990, which had as main responsibility the negotiation and signing of the Management Contract with SAI MUNTENIA INVEST SA and supervision of its activity related to the management of SIF MUNTENIA SA's assets.

Subsequent to the entry into force of Law no. 297/2004, together with the secondary legislation, SAI MUNTENIA INVEST SA submitted for the NSC authorization the modification of SIF MUNTENIA SA's incorporation documents, requests finalized by the NSC Decision no. 1039 / 02.05.2006. With these changes, art. 7 of the Statute became art. 7 of the Articles of Incorporation, the Board of Directors becoming the Shareholders' Representatives Council.

The Articles of Incorporation of SIF MUNTENIA SA regulates the Shareholders' Representatives Council, to which the provisions of Law no. 31/1990, according to art. 224 para. 4 of the NSC Regulation no. 15/2004 are applicable: "4) *For the conclusion of the management contract in the case of a closed-end investment company that is not self-managed, as well as for monitoring its performance, the SGA may appoint representatives, elect auditors or set up specialized commissions in compliance with the provisions of Law no. 31/1990 R. ”*

The provisions of Law no. 31/1990 regarding the appointment and duration of the mandate of the directors are applicable exclusively to the members of the Shareholders' Representatives Council and not to the specialized / external administrator, who operates on the basis of a special legislation. At the same time, the special legislation does not expressly stipulate that the provisions of Law no. 31/1990 are applicable to the external administrator designated according to the incorporation documents at the time of designation or later.

Currently, art. 1 paragraph 5 of the Articles of Incorporation of SIF MUNTENIA SA stipulates that "*the Company will operate on the basis of a management contract to be concluded with Societatea de Administrare a Investițiilor Muntenia-Invest S.A..*" This incorporation provision does not refer to the duration of a mandate, due to the fact that SAI MUNTENIA INVEST SA was not elected as sole administrator under Law no.31 / 1990, but was appointed as external administrator according to the specific legislation applicable to the capital market.

Moreover, as to the provisions of art. 118 of Law no. 297/2004, special law derogating from the general law (Law no. 31/1990), which states that: "A closed-end investment company registered with the NSC

*shall be managed by an investment management company (SAI) or by a board of administration.”, corroborated with art. 1, para. 5 of the Articles of Incorporation, SIF MUNTENIA SA is an UCI / AIF managed by an IMF / AIFM, it is clear that the provisions of art. 55 of the FSA Regulation no. 9/2014 also apply, consequently, the procedure for the replacement of the AIFM shall be done with the approval of SIF MUNTENIA SA’s Shareholders General Extraordinary Meeting, the manager being appointed by a provision of the articles of incorporation, without stipulating the term of its mandate.*

**The Financial Supervisory Authority request to supplement the agenda**

Although all presented above was sent to the Financial Supervisory Authority in October 2019, we hereby inform the investors that the Financial Supervisory Authority has requested by letter VPI/2437/19.03.2020, received at SAI Muntenia Invest SA on 06.04.2020, supplementing the SGOA Agenda with a separate item regarding "approval of the administrator’s term of mandate".

Considering the request of the Financial Supervisory Authority, SAI Muntenia Invest SA proposes to adopt the following Resolution:

***“The appointment of SAI Muntenia Invest SA as sole administrator of SIF Muntenia SA is approved, which will also exercise the function of alternative investment fund manager, for a 4 (four) year mandate, starting with the date of approval by the Shareholders General Ordinary Assembly.”***

**SIF MUNTENIA  
by administrator  
SAI MUNTENIA INVEST SA**

**General Director,  
Nicușor Marian Buică**