

SIF OLTENIA PROGRAMME OF OWN SHARES REPURCHASE

The programme of own shares repurchase within the limit of 49,056,462.55 lei, the amount representing 48.44% of the net profit of 2016, is initiated in the context of implementation of the Decision no.3 of OGSM on 06.09.2017, which SIF OLTENIA will submit for approval of the EGSM called on 25/26.04.2018.

The programme of own shares repurchase considered by the company aims at a complementary way of remuneration of the shareholders by increasing liquidity of the shares, rising share price on the market and decreasing of the discount between the share price on the market regulated by BVB (Bucharest Stock Exchange) and the unitary net asset value.

Repurchase programme

The Board of Directors of SIF OLTENIA proposes to the shareholders the approval of a repurchase programme of its own shares for the purpose of reducing the share capital by cancelling them, under the following conditions:

- *size of the programme* - **maximum 32.704.308 shares** up to the amount of **49.056.462,55 lei** with a nominal value of 0.10 lei/share, representing a maximum of **5.637%** of the share capital;
- *share buying price* - **minimum price** will be **1.50 lei/share** and **maximum price** will be **2.50 lei/share**;
- *duration of the programme* – a **maximum period of 12 months** as from the date of publication of the decision of the EGSM in the Official Gazette of Romania part IV;
- *payment of repurchased shares* - available reserve fund (with the exception of legal reserves) approved for this purpose in the amount of **49.056.462,55 lei**;
- *aim of the programme* - decreasing of the subscribed and paid share capital to the level resulted by cancelling the repurchased shares within the programme.

Legal framework for the repurchase programme

SIF OLTENIA SA is constituted as a joint stock company and is subject to the provisions of Law no. 31/1990 republished of the companies, with subsequent modifications and completions, Law no. 297/2004 regarding the capital market, with the subsequent modifications and completions, Law no. 24/2017 on Issuers of Financial Instruments and Market Operations, ASF Regulation no. 9/2014 regarding the authorization and functioning of the investment management companies, the collective investment undertakings in securities and the depositaries of the collective investment undertakings in securities, Law no. 74/2015 regarding the managers of investment funds, the Delegated Regulation (EU) 2016/1052, the Constitutive Act.

According to the provisions of the Law no. 31/1990 on companies, republished, with subsequent modifications and completions, art. no. 103 [^] 1, the purchase of own shares may take place under the following conditions:

”a) buying authorization of its own shares is granted by the Extraordinary General Assembly of the Shareholders that will determine the conditions for this purchase, especially the maximum number of shares to be purchased, the duration of the authorization and which cannot exceed 18 months from the date of publication the decisions in the Official Gazette of Romania, Part IV, and, in the case of an purchase for consideration, their minimum and maximum value;

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

c) the transaction may have as its object only fully paid shares;

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

According to article 105 of the same Law no. 31/1990 R, the shares purchased by the company do not give the right to dividends during the period of their holding by the company and the voting right conferred by the shares purchased by the company will be suspended during the period of their holding.

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

Objective of the repurchase programme

The repurchase programme aims at performing by the SIF OLTENIA of some operations on the capital market targeting repurchasing of a maximum of **32.704.308 shares** up to the amount of **49.056.462,55 lei, representing 5.637%** of the share capital followed by the cancelation of the purchased shares and the decreasing of the share capital.

The repurchase programme may result in a better ratio between the SIF OLTENIA share price and the unitary net asset value providing an additional source of remuneration to the investors in shares issued by the company.

The repurchase programme takes into account the following:

- reducing the discount between the stock market share price and the unitary value of the net asset.

The price of a share on the last trading day of 2017 was **2.18 lei**, resulting in a discount of **28.56%** compared to the unitary net asset value which was **3.0516 lei**, according to the financial data as of 31.12.2017.

- a higher yield of the company's shares as a result of a possible increase in the trading price following the repurchase programme;

- increasing the liquidity of the company's shares as a result of the investor interest in trading the shares of SIF OLTENIA;

- increasing the shareholders' interest in making the most of their investment on short-term or making medium/long-term investments and strengthening the structure and holdings of SIF OLTENIA shareholders;

Characteristics of Repurchase Programme

The repurchase programme will be performed in compliance with the primary and secondary legislation applicable to this operation.

Obligations to disclose and report

- prior to the commencement of trading within the Repurchase Programme, SIF OLTENIA will ensure the adequate disclosure of the following information:

- purpose of the programme,
- maximum pecuniary value allocated to the programme,

- maximum number of the shares that can be purchased,
- period for which the programme authorization was granted.

- SIF OLTENIA will fulfill its reporting obligations to the market and A.S.F. (Financial Supervisory Authority) and will record each transaction related to the repurchase programme. It will also report all the transactions related to the repurchase programme, in detail and aggregate form, by the end of the seventh trading day after the execution date of the transaction.

- SIF OLTENIA will display on its site the transactions that have been disclosed and will keep this information available to the public for at least five years from the date of their public disclosure.

Trading Terms

- the shares will be purchased on the BVB regulated market in compliance with applicable legal regulations.

DEPARTMENT OF INVESTMENT, TRANSACTION AND NET ASSET CALCULATION

Manager