

CONSTITUTIONAL ACT

on the basis of which, Banca Transilvania S.A. shall operate upon the fulfillment of all legal formalities for the necessary approvals and the publication of the modifications adopted by the General Meeting of Shareholders.

The founders of Banca Transilvania S.A. (the "**Founders**") as they were registered at the time of the bank's incorporation are:

1. GAVREA AUREL Romanian Zalau Str. Vladimirescu
2. CONSTANTINESCU MIRCEA Romanian Cluj Str. Memorandumului 8 MIHAI
3. PALAGHEANU RADU DANUT Romanian Cluj Str. Horea 41
4. NICOARA MARIUS PETRU Romanian Cluj Str. 22 Decembrie 34/13
5. ROTTA RAZVAN Romanian Cluj Aleea Baita 1
6. SIMEON BENIURUSHVILI Israeli Vienna, Austria, Venedieger AU4/16
represented by NICOARA MARIUS through a special power of attorney of 27 May 1993
7. THE CHAMBER OF COMMERCE Romanian Cluj B-dul Eroilor 1
AND INDUSTRY OF CLUJ
represented by MUNTEAN IOAN, President
8. TOTHFALUSI JANOS Romanian Cluj Str. Arges 26
9. PLUSCAL SIMIONA Romanian Zalau Str. Titulescu 14
10. DUDAS MITRAS Romanian Zalau Str. Ion Nechita
11. LUPOIAN VASILE ADRIAN Romanian Zalau Str. Porolisum
12. CRET AUREL DAN Romanian Zalau Str. Bradet P39
13. POIENARU IOAN NISTOR Romanian Zalau Str. Avram Iancu 26
14. TORGIE TEODOR Romanian Zalau Str. Dumbrava Nord
15. JOLDES CONSTANTIN Romanian Zalau Str. Republicii B3
16. AVRAM VASILE DORU Romanian Cluj Str. Fabricii
17. RATIU IOAN Romanian Bucharest Str. Armindenului 4
represented by Mr GAVREA AUREL through a special power of attorney no. 13226
18. GRUITA DAN FLORIN Romanian Cluj Str. Carpati 12
19. JEICAN CONSTANTIN MIRON Romanian Cluj Str. Brasov 48
20. NISTOR DAN CALIN Romanian Cluj Str. Cimpului 44
21. CIORCHILA HOREA Romanian Cluj Str. Amos Fincu
22. BADIU NICOLAE IULIAN Romanian Cluj Str. Republicii 28
23. CIURCHEA IOAN MARIUS Romanian Cluj Calea Manastur 89
24. COPANDEAN ALEXANDRU Romanian Zalau Str. Republicii R97/3
VELU
25. GROSS IOSEF Stockerau, Austria Jessernigg str. 3
represented by Mr NICOARA MARIUS through a special power of attorney no. 1865/93
26. JAVORSZKY IMRE Vienna, Austria Hasnerstrasse 5A 1160
27. POP IOSIF Romanian Cluj Str. Predeal 24
28. ILIESCU CECILIA Romanian Cluj Str. Dorobantilor 42
29. TRENCA IOAN Romanian Cluj Str. Donath 115
30. POPESCU PIHAL DAN Romanian Cluj Str. Napoca 3/24
CONSTANTIN
31. TARAN FLORIN EUGEN Romanian Cluj Str. Manastur 105 IG6
32. ALEXANDRU TIBERIU Romanian Cluj Str. Tatra 12
33. BANCIU ADELA ROXANA Romanian Cluj Calea Floresti 1
34. CRISTEA GHEORGHE Romanian Cluj Str. Donath bl. IX

35.	PRIVATE OWNERSHIP FUND of BANAT & CRISANA	Romanian	Cluj	Calea Victoriei 33/35
36.	MAIER FLORIN	Romanian	Oradea	Str. Mimozei 3
37.	MECIU EUGEN ALEXANDRU	Romanian	Cluj	Str. Dorului 21
38.	MERCEAN GLIGOR	Romanian	Cluj	Str. Pietroasa 20
39.	MICORICIU VALENTIN	Romanian	Oradea	Aleea Apei Calde 20
40.	MOGA MIRCEA	Romanian	Cluj	Str. Sindicatelor 3
41.	MOGA VOICA	Romanian		Str. Sindicatelor 3
42.	NASUI SIMION IOAN	Romanian		Allea Dorohoi 6, sect 4
43.	SILAGHI CLAUDIU EUGEN	Romanian		Str. C. Brancusi 2
44.	TARTAN IOAN	Romanian		Str. Petrosani 2
45.	GHITE SORIN VOICU	Austria, Vienna		Wolf Schmaezl
46.	NASUI DOREL VASILE	USA, Illinois		255 Bradwell Rd 60010

Art. 1 NAME

The name of the bank is BANCA TRANSILVANIA S.A. In all documents, publications, notices and other acts issued by the Bank, its name shall be "BANCA TRANSILVANIA" followed by the initials S.A., its share capital and registration number with the Trade Registry.

Art. 2 INCORPORATION

BANCA TRANSILVANIA S.A. was incorporated on the basis of the Articles of Association signed in Cluj-Napoca.

Art. 3 LEGAL STATUS

BANCA TRANSILVANIA S.A. is a Romanian legal entity, a joint stock company, organized and existing under the provisions of this constitutional act.

BANCA TRANSILVANIA S.A. is hereinafter referred to as the "**Bank**".

Art. 4 HEADQUARTERS

The bank's headquarters is in Cluj-Napoca, str. G. Baritiu no. 8. It may be moved to any other location in Romania, under the law and in accordance with the decision of the General Meeting of Shareholders. The Bank may establish subsidiaries, branches, agencies and representative offices throughout Romania and abroad, under the law.

Art. 5 DURATION

The duration of the Bank's operation is undetermined. It may be modified in compliance with the legal requirements.

Art. 6 OBJECT OF ACTIVITY

The Bank shall perform specific operations and activities in Romania and abroad, in its own name or on behalf of the Bank's customers, either legal entities or individuals, on behalf of certain institutions or in cooperation with them. The Bank shall perform the operations listed below as well as other operations under the legislation in force:

The main object of activity is under Section K - Financial intermediation and insurances, Division 64 - Financial intermediation, except for insurances and pension funds, Group 641 - Monetary intermediation, **class 6419 - Other monetary intermediation activities**, respectively.

- 6419 - to attract deposits and other reimbursable funds;
- 6419 - to contract loans including consumer loans, mortgage loans, trade finance, factoring, discounting and forfeiting operations;
- 6419 - monetary transfer services;
- 6419 - to issue and to manage payment instruments such as credit cards, travelers' cheques and similar ones, including issu of electronic money;
- 6419 - to issue guarantees and to undertake commitments;
- 6419 - to perform transactions in its own name or on account of its customers, under the law, with:
 - money market instruments such as cheques, bills of exchange, promissory notes, deposit certificates;
 - foreign currency;
 - futures contracts;
 - instruments based on forex and interest rates (exchange rate futures; interest rate futures; exchange rate forwards; forward rate agreements; foreign currency swaps; interest rate swaps);
 - securities and other financial instruments (T-bills, bonds);
- 6419 - intermediation on the inter-bank market;
- 6419 - to keep in custody and for management securities and other financial instruments;
- 6419 - to provide information and reference data in the field of lending;
- 6419 - to lease safe boxes;
- 6419 - to deposit assets of investment funds and investment companies;
- 6419 - to distribute participations in investment funds and investment companies;
- 6419 - to act as an operator of the Electronic Archive for Movable Assets Guarantees;
- 6419 - to perform transactions with precious metals and objects made of precious metals;
- 6419 - to participate in the share capital of other companies;
- 6419 - to perform registration services with the Electronic Archive for Movable Assets Guarantees in respect of credits, guarantee letters and other operations where the bank is a contractual party;
- 4799 - operations with movables resulting from the enforcement of bank receivables (trading through nonspecialized stores);
- 6311 - data processing services;
 - database management or similar services for third parties;

6619 – to provide advice in relation with capital structure, business strategy and other relating aspects;
6622 – intermediation, on behalf or for the account of one or several insurers, of insurance products in complementation of the products provided by the credit institution, “non-financial operations under mandate or with commissions, especially on account of other entities in the group of the credit institution”;
6629 – other activities auxiliary to insurance and pension funds - marketing activities for privately managed mandatory pension funds and for optional pension scheme prospectus;
6630 - to manage client portfolios and to provide related consultancy;
6810 – sale of buildings under the law;
6820 - lease of buildings under the law;
7022 – consultancy about mergers and/or acquisitions of companies;
7711 – lease of movable assets (automobiles and small utility cars);
7733– lease of movable assets (office equipment and machines);
8559 – training activities, under Art. 18 paragraph 1, letter. r) in the Gov. Order 99/2006 - *any other activities or services to the extent that they are related to the financial sector, under the legal provisions governing such special activities)*

Art. 7 RESTRICTIONS

The Bank shall not conclude any agreements or understandings and shall not adopt practices likely to bring the Bank in a dominant position on the money, financial or foreign currency market. The Bank shall not commit to any transactions in order to obtain any unfair advantages for the Bank or any third parties.

Art. 8 SECURITY OF DEPOSITS

In order to protect the rights of depositors, the Bank shall act in accordance with the legal provisions in the matter.

Art. 9 SHARE CAPITAL

The Bank has a share capital of RON **1.773.658.066**, divided into **1.773.658.066** shares, each having a par value of RON 0,1.

The share capital is subscribed and fully paid at the time that the most recent increase in capital is registered with the Trade Registry.

The payment of subscriptions shall be made in lei or, if the law permits otherwise, in foreign currency in amounts calculated at such exchange rate as the law may determine.

Art. 10 MODIFICATION OF SHARE CAPITAL

a. The share capital may be increased based on the decision taken by the General Meeting of Shareholders in compliance with the legal provisions and only after the shares issued in the previous share issue have been paid up.

b. The decision of the General Meeting of Shareholders regarding the increase in the share capital shall be in force only if the capital increase is accomplished within one year from the date when it was decided.

c. Except when new shares are issued to all shareholders (pro rata with the number of shares already held), as a capital increase by way of distribution of dividends, the new shares resulting from any increase in the share capital (in this paragraph referred to as "**Shares**") shall be offered for subscription by written notice to the existing shareholders in proportion with the number of shares already held by them, observing the following principles:

(a) The Bank shall send a notice in writing to each shareholder of the Bank (the "**Subscription Form**") specifying:

- (i) the total number of offered shares;
- (ii) the rights, privileges, terms and conditions for the offered shares; and
- (iii) the price to be paid for each share.

(b) Each shareholder shall have the option, which may be exercised within 30 days after receiving the Subscription Form, to subscribe, irrevocably and in pro rata with the shares already held, the shares offered in the Subscription Form by notifying the Bank in writing;

(c) If, after exercising this option, there are shares that have not been subscribed, the remaining shares shall be offered to persons (including shareholders, if decided so) as selected by the Council of Administration of the Bank in compliance with the Constitutional Act.

By exception, for the convertible bonds issued on the basis of the GSM decision of 27.04.2012 (for which the preemption right is established for the shareholders registered with the Shareholders' Register at the registration date, respectively May 21st 2012), at the time of their conversion, the share capital is to be increased, under the powers delegated to CA, in compliance with the conditions set and approved in the issue prospectus for such bonds and under the Law no.31/1991 as modified and republished as well as under any applicable legislation from time to time in force.

~~By exception, for the convertible bonds issued on the basis of the GSM decision of 12.04.2005, an issue realized under the issue prospectus of unsecured subordinated convertible bonds (approved by the National Committee for Securities under no. 2492/23.08.2005), at the time of their conversion, the share capital is to be increased, under the CA responsibility, in compliance with the conditions set and approved in~~

~~the issue prospectus for such bonds, under the Law no.31/1991 (art.176, paragraph 3), without exercising any preemption right by the shareholders registered with the Shareholders' Register at the time of the conversion (the preemption rights of the shareholders in not exercised in connection with the shares resulting from the bond conversion).~~

d. The provisions in the paragraph c. above regarding the principles in the increase of the share capital are also applicable in the issue of convertible bonds

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de. The share capital may be decreased or replenished, based on a relating decision of the General Meeting of Shareholders subject to the legal provisions. In such case, the Bank shall redeem its own shares in proportion with the part of the decreased capital. The decrease may be carried out only after two months from the date when the decision adopted by the General Meeting of Shareholders was published in the Official Gazette.

ef. If half of the share capital is found to be lost, the Council of Administration shall convene an Extraordinary General Meeting of Shareholders in order to decide to replenish the share capital, to adjust it to the remaining amount or to dissolve the Bank.

Art. 11 SHARES

a. The bank shares are nominal, dematerialized and recorded in accounts. The bank shares generate dividends, determined in line with the Bank's yearly profit. Any capital increase and new share issue can take place only after the full payment of the previously issued shares. The shares issued as a result of a capital increase will have a par value equal to that of the shares already issued.

Each share confers to the holder the right to participate in the General Meetings of Shareholders, to vote, to elect and to be elected in the Council of Administration or in the censors' commission, to receive a part of the net profit, annually, in form of dividends and, in case of liquidation, to receive a part of the net asset corresponding to its par value.

- b. (a) Each share confers the right to a single vote in the General Meeting of Shareholders.
- (b) No shareholder can hold 10 % or more of the total share capital of the Bank except:
- (i) with the approval of the General Meeting of Shareholders; and
 - (ii) in compliance with all formalities provided by law.
- (c) Each shareholder must comply with the Constitutional Act and will be bound by the valid decisions of the General Meeting of Shareholders.

- c. All shares shall confer equal rights and obligations. The shareholders shall be liable to the extent of the value of the shares they hold.
- d. The shares of the Bank are indivisible. If a share becomes the property of several persons, such a share will not be accepted by the Bank when transferring the ownership rights, before such persons appoint a sole representative to exercise the rights relating to that share. If several persons jointly hold a share, such persons shall be jointly liable in making payments in the account of the share in question.
- e. Upon the death of any Founder, all rights and obligations (if any) relating to his/her shares shall be assumed by his or her successor (if such successor chooses so).

Art. 12 GENERAL MEETINGS

- a. The governing body of the Bank is the General Meeting of Shareholders and it represents all shareholders. Its decisions, taken in compliance with the law and the Constitutional Act, shall be binding upon all shareholders, including those shareholders who have not attended the meetings.
- b. Each shareholder may participate in the General Meetings, either in person or by a special power of attorney given in original to another person, who may or may not be a shareholder in the Bank, but who cannot be a bank employee or a member of the Council of Administration. Such a power of attorney shall be submitted to the Bank five days before the date scheduled for the meeting. Legal entities are represented in the general meetings by their legal representatives.
- c. The General Meetings shall be held at the headquarters of the Bank or in another appropriate place, made known in time through a convening notice.
- d. The General Meetings may be ordinary or extraordinary. The Ordinary General Meetings shall be held at least once a year, not later than four months after the closing of each financial year. In addition to the issues on the agenda, such meetings shall:
 - (a) discuss, approve or modify the annual financial statements, based on the reports presented by the Council of Administration, the censors or, as the case may be, by the financial auditor and determine the dividends;
 - (b) appoint and revoke the members of the Council of Administration and the censors;
 - (c) appoint and revoke the financial auditor and determine the minimum duration of the financial audit contract;

- (d) determine the remuneration of the members on the Council of Administration and the Censors due for the current exercise, if not established in the Conditional Act;
- (e) decide on the performance of the Council of Administration;
- (c) approve the budget for revenues and expenditure and the activity program for the financial exercise to come;
- (d) decide on the pledge, opening or dissolution of one or several bank units.

For the decisions to be valid, the Ordinary General Meetings require the presence of shareholders representing no less than 35 % of the share capital. The decisions shall be taken with the majority of votes. On the date set for the second convening, the meeting can take place irrespective of the percentage of share capital represented by the attending shareholders and the decisions shall be taken with the majority of the present votes.

The CA members may not vote at the ordinary General Meetings, either personally or by a power of attorney, in respect of their discharge or any issue relating to their personal or management performance.

e. The Extraordinary General Meetings shall be convened by the Council of Administration under the law.

The convening notice for any general meeting shall be published in the Official Gazette and in one of the national and local newspapers and shall include the place and the date of the meeting and the agenda, clearly indicating all the issues to be debated. The meeting shall not be held earlier than 30 days after the publication of the convening notice.

For an Extraordinary General Meeting to be valid, it is required the presence of shareholders representing at least 35 % of the share capital and the decisions shall be taken with the majority of the votes held by the attending or mandated shareholders (under art.115 (2) in the Law no.31/1990). If, upon the first convening, the above quorum is not met, a second meeting shall be held where the presence of shareholders representing at least one fifth of the share capital is required and the decisions on the issues included in the agenda of the previous Extraordinary General Meeting shall be taken with the majority of votes held by the attending or mandated shareholders (under art.115 (2) in the Law no.31/1990).

The Council of Administration shall be obliged to convene an Ordinary or an Extraordinary General Meeting at the request of shareholders representing at least 5 % of the share capital. Such a request shall be made in writing and shall be motivated. If the Council of Administration does not convene a general meeting, the competent court in the area of the bank headquarters will be able to order the convening, by appointing a person from among the shareholders to chair the meeting.

f. The decisions of the General Meeting shall be taken by open vote. Secret voting is obligatory for the election or the dismissal of CA members as well as to adopt decisions about the liability of the members of the governing, management or control bodies.

g. The General Meetings of Shareholders shall be chaired by the chairman of the Council of Administration or a representative appointed by the chairman from among the CA Members. One to three secretaries from the attendees shall be also designated to verify the attendance, to indicate the share capital represented by each attendee, to verify the minutes prepared by the technical secretary concerning the number of shares represented at the meeting and compliance with all formalities required by the law and the Constitutional Act in respect of the meeting.

h. Each minute shall state compliance with the formalities for convening the meeting, the date and place of the meeting, the attending shareholders, the number of represented shares, a summary of debates, the shareholders' decisions and, at the express request of the shareholders, shall include any written statement of the shareholders.

The minutes shall be signed by the Chairman of the Council of Administration and the secretaries and recorded in the register for general meetings.

i. In addition to the majority required by the Constitutional Act and the Law 31/1990 (as amended and revised), whether the resolution is proposed to be passed at the first Extraordinary General Meeting or in a subsequent meeting, the following decisions listed below under (a) to (f) require:

- (i) the affirmative vote of the founders holding more than 50% of the total shares then held by the founders; and
- (ii) the affirmative vote of the Relevant Investor.

For the purpose of the paragraph above, the "Relevant Investor" means an international financial institution which, by way of capital increase, has acquired 14% or more of the entire voting rights, provided that:

- (A) only one such institution shall qualify at any time as a "Relevant Investor" and, if there are two or more persons who would qualify as a "Relevant Investor", only the first chronologically meeting the above requirements shall be the "Relevant Investor"; and
- (B) an institution shall remain a "Relevant Investor" only as long as it holds **13% or more** of the share capital of the Bank with a voting right.

The relevant decisions requiring affirmative resolutions as described above are the following:

- (a) any resolution to amend or to supplement this Constitutional Act;
- (b) any resolution to increase or to reduce the share capital of the Bank or to change the type, rights, form or class of shares or to redeem or to split any shares or to create any new class or type of shares;
- (c) any resolution to create, to withdraw, to suspend, to amend or to modify any rights of pre-emption (upon issue or transfer of shares) granted to the shareholders of the Bank (whether permitted by the law or by the Constitutional Act or otherwise);
- (d) any resolution to merge, to combine, to come out of a merger, to consolidate, to wind up, to dissolve or to liquidate the Bank or to transform or to restructure the Bank (whether into another corporate form or otherwise);
- (e) any resolution to change the object of the Bank's activity or to change the nature or the scope of its business (whether by broadening or ceasing the activity) in any material respect; and
- (f) any resolution to change the auditors of the Bank.

Art. 13 THE COUNCIL OF ADMINISTRATION

a. The Bank is managed by a Council of Administration, consisting of the following members:

- Ciorcila Horea
- Marzanati Roberto
- ~~Rekkers Robert Cornelis~~ [vacancy](#)
- Retegan Carmen
- Ceocea Costel
- Radu-Danut Palagheanu
- Peter Morris Franklin

and will be formed based on the following rules:

- (a) it will include a number of 7 members, elected by the General Meeting from among the shareholders or their representatives.
- (b) the members of the Council of Administration shall not be executives or employees of the Bank, except for the CA members appointed on the Management Committee;

- (c) the Relevant Investor, if corresponding to the definition of the “relevant investor” under the article 12i from above, shall be entitled to appoint and to maintain one of the maximum seven members of the Council of Administration, any time, provided that the identity of such member is subject to the approval of the General Shareholders' Meeting, in accordance with the applicable law and the regulations of the National Bank of Romania existing at that moment;
 - (d) *The mandate of the Council of Administration is 4 years;*
 - (e) at least half of the members of the Council of Administration must be Romanian citizens;
 - (f) before taking office, the members of the Council of Administration will be approved by the NBR in accordance with the applicable regulations.
- b. The chairman and the vice-chairman will be elected by the Council of Administration from among its members.
 - c. The chairman of the Council of Administration may be a Romanian or a foreign citizen.
 - d. The signatures of the members of the Council of Administration will be submitted to the Trade Registry. If this obligation is not fulfilled, an administrator is considered to be divested of his rights.
 - e. *The responsibilities of the Council of Administration, exercised directly or delegated, unless expressly forbidden under the law, are the following:*
 - (a) *to approve the Rules for Organization and Management, the Code of Ethics and Conduct and the organization chart, the staffing levels, the staff remuneration and supplementary incentives;*
 - (b) to determine the treatment of signatures and authorized representatives of the Bank;
 - (c) *to approve the internal rules of the bank; the Council of Administration may mandate the approval of the internal rules to the Executive Management Committee;*
 - (d) *to approve the establishment of correspondent banking relations with banks in the country and abroad as well as the related upper limits (at the CEM proposal to the extent it is needed) and to contract financings for carrying out the current business of the bank*
 - (e) to adopt the draft activity program and the revenue and expenditure budget, the profit and loss account and to prepare the report on the

activity of the Bank to be submitted for approval to the General Meeting;

- (f) to approve writing-off of debits for which all legal ways of recovery have been exhausted and the recovery of which cannot be achieved in economic conditions as well as any losses caused by employees as a consequence of the normal bank risks;
- (g) to prepare proposals for the distribution of the net profit to be submitted to the General Meeting for approval;

~~(h) *h. To appoint from among its members and to revoke, any time and on a motivated basis, the Bank leaders (general manager and deputy general managers) and the executive managers, who are members of the Executive Management Committee and to establish their remuneration as well as to appoint and to revoke, any time on a motivated basis, the managers of in the Head Office, branches, representative offices and agencies and to determine their powers and duties and their remuneration*~~

~~(h) *to appoint from among its members and to revoke, any time and on a motivated basis, the Bank leaders, who are members of the Executive Management Committee (general manager and deputy general manager) and to establish their remuneration as well as to appoint and revoke, any time on a motivated basis, the managers of branches and representative offices and agencies and to determine their powers and duties and their remuneration;*~~

- (i) to approve loans over the competence limits of the Executive Management Committee at the proposal of the Committee;
- (j) to approve the quality of partners with unlimited responsibility in other competing companies for the members of the Management Committee;
- (k) to decide the opening, re-location or closing of branches, agencies, subsidiaries or representative offices of the Bank in Romania and abroad and to approve their rulebook;
- (l) to approve the participation of the Bank, in ROL or foreign currency, to the start-up capital of banks, companies in manufacturing, trading, tourism, transportation, insurance and other companies by procuring shares or social parts in such companies in Romania and abroad;
- (m) to approve the purchase of real estate properties necessary for the Bank to develop its activities as well as for the use of the bank employees;
- (n) to acquire or to dispose shares in other legal entities, representing capital participations of the Bank, other than portfolio investments;

- (o) to approve and to implement the Bank's annual and quarterly operational budgets;
 - (p) to approve and to implement expenditure for fixed assets (such as buildings) and proposals for leasing obligations in cases exceeding 2% of the Bank's equity according to the Financial Statements prepared under IAS ("Equity"), within the limits of the revenue and expenditure budget approved by the General Meeting of Shareholders;
 - (q) *to approve any related transactions involving an investment or committing a loan which would account for 10% or more the BT's own funds;*
 - (r) to approve the complete annual remuneration of the key personnel, including the members of the Management Committee;
 - (s) *to approve the individual exposures to any related party to the bank within the limits determined by the Council of Administration;*
 - (t) *to approve and to implement a strategic plan for a minimum period of 2 years which is to be reviewed at least annually*
 - (u) to approve, to refer to the General Meeting of Shareholders and to implement (if approved by the General Meeting of Shareholders) any transaction or group of related transactions (in or off balance sheet), involving mergers, consolidation, divestiture, spin-offs or acquisitions, representing more than 10% of the Bank's equity;
 - (v) to approve any indebtedness with a due term over one year, representing more than 10% of the Bank's equity; and
 - (w) to approve any loan, guarantee or off balance obligation that do not conform with the Lending Policies and Procedures (CPP).
- f. The Council of Administration shall meet at the headquarters of the Bank at least once a month or any time it is considered to be necessary, with an attendance of at least half of the number of its members. The convening notices must be sent to all members of the Council of Administration and shall include the place, the time and the agenda of the meeting. Members of the Council of Administration may take part in the meeting by telephone and that aspect is to be recorded in the minutes of the meeting. No decision can be taken on issues that are not included in the agenda, except for cases of emergency and provided that such decision is ratified in the following meeting by the members who were not present when it was taken. The Council of Administration shall be chaired by the chairman and failing that by a member of the Council of Administration appointed for this purpose. The decisions of the Council of Administration shall be taken (1) with an absolute majority vote of the present members and (2) with at least half of the total number of

administrators and each such decision must be written in a minute to be signed by the Chairman and the members of the Council of Administration.

If a meeting is not held, a written resolution of the Council of Administration, in one or more copies, duly signed by each member of the Council of Administration and sent to the Bank by fax or in original, demonstrating that the majority of the CA members voted for such a resolution, shall be valid and applicable, as if the meeting had been duly convened and held.

In addition to the requirements from above, the following decisions listed below from (a) to (d) shall require a simple majority of the CA members and the vote of the CA member, named by the Relevant Investor in compliance with the provisions in this Constitutional Act:

- (a) any resolution to change, to supplement or to modify:
 - (i) the Policy Statement as adopted by the decision of the Council of Administration as of 14 August 2001; or
 - (ii) the Remuneration Policy adopted by the decision of the Council of Administration prior to the adoption of this Constitutional Act or any other resolution approving any act or omission beyond the limits set out in such Policy Statement or Remuneration Policy (in each case, as validly amended or modified in accordance with this provision); and
- (b) any resolution to offer any persons, including the existing shareholders, the shares remaining unsubscribed after an offer to all existing shareholders has been made pursuant to the article 10c. in this Constitutional Act;
- (c) any resolution to acquire or to dispose any person or entity or a controlling interest in any other person or entity (in each case through the acquisition or the disposal of shares, the formation or the dissolution of a partnership or a joint venture or otherwise);
- (d) any resolution to approve any transactions with connected parties under article 13 (m) (b) (ii) from above;
- (e) the approval of every medium term business plan and
- (f) the appointment or the dismissal of any member on the Management Committee.

The notices for meetings must be given to each member of the Council of Administration at least 21 days before the proposed date of the meeting and such notices shall include an agenda with the items to be discussed during the meeting, unless the meetings are extraordinary (convened for matters of

urgency) and in this case the notice is to be sent at least 48 hours before such meeting to each member (together with an agenda of the extraordinary meeting).

If the provisions in this article are fully complied with in any meeting for the determination of any matter from the paragraphs (a) to (d) above, but the member of the Council of Administration appointed by the Relevant Investor (the "**RI Member**") does not attend the meeting (in person or by telephone), then any decision of the Council of Administration on any matter like those in the paragraphs (a) to (d) above, in fact validly taken, shall be considered valid without the affirmative vote of the RI Member after five business days from the date when the resolution was adopted, unless the RI Member gives notice to the Bank to vote against such resolution within five business days.

- g. The Council of Administration deliberates and takes decisions on the major issues of the Bank's activity, excepting those reserved for the General Shareholders Meeting; the CA responsibilities are provided both by the law and this Constitutional Act
- h. The Council of Administration shall appoint a secretary, either from among its members or from among employees in managing positions to handle the operational activity. The proceedings of the Council of Administration shall be recorded in minutes to be signed by the members attending the meeting. The minutes shall be recorded in a register in chronological order, including notes about the order of the issues under consideration, the decisions, the members attending the meeting, the number of votes and any separate opinions.
- i. The administrators shall be jointly liable to the company in respect of:
 - (a) truthfulness of the payments made by the shareholders;
 - (b) real existence of the paid dividends;
 - (c) existence of the registers required by the law and the correctness of records in such registers;
 - (d) implementation of the decisions passed by General Meetings;
 - (e) strict fulfillment of duties under the law and the Constitutional Act.
- j. The liability for acts or omissions does not extend to administrators who have required their opposition to be noted in the registry of minutes of the Council of Administration and notified the censors thereof.
- k. Any administrator who does not participate in a meeting shall be liable for the decisions taken in such meeting if, within a month after becoming aware of the relevant decisions, he/she does not show opposition in the form provided under letter "k" from above. The members of the Council of Administration

shall also be liable jointly with their immediate predecessors if, being aware of any irregularities committed by such predecessors, they have not informed the censors.

l. An administrator having an interest in a certain transaction, directly or indirectly, contrary to the Bank's interests must submit a written statement, at least once a year, which should include the names and addresses of his/her associates and any information about his/her material interests and his/her family's interests and shall not participate in any debate regarding that transaction.

In addition, the Bank shall not enter into any transaction with:

- (a) any shareholder, only if the terms and conditions of such transactions are just as unfavorable to the Bank as those obtainable by the Bank from any unaffiliated third parties; or
- (b) any of the following, unless the approval of the Council of Administration has been obtained for each such transaction:
 - (i) any member holding 5% or more of the Bank shares; or
 - (ii) any member of the Council of Administration or a related party to such a member; or
 - (iii) any employee of the Bank.
- m. No administrator may be member on more than five Boards of Administration, except for cases provided under paragraph (2), art. 153¹⁶ in the Law no. 31/1990. An administrator failing to observe this requirement shall be punished in accordance with the law. The members of the Council of Administration may not be members on the boards of other banking companies and may not participate, without the express authorization of the Council of Administration, in other companies as partners with unlimited responsibility.

Art. 14 *“Leaders’ committee and Executive Management Committee*

14.1. Leaders’ Committee

The Council of Administration appoints the bank leaders (directors) (general manager and deputy general managers) from among the executive directors.

The general manager and the deputy general managers will form the Leaders’ Committee

14.1.LEADERS’ COMMITTEE

The Council of Administration appoints two leaders (directors) of the bank (general manager and deputy general manager) from among its members and/or executive directors.

The general manager and the deputy general manager will form the Leaders’ committee.

The Council of Administration mandates the bank leaders to exercise jointly the powers of organization and management of the bank's activity. The bank leaders are vested with the rights, obligations and responsibilities provided in the relevant legislation. The bank leaders may, under mandate, delegate some of their responsibilities in a clear and transparent way to CEM or individually to mid-level managers. The Leaders' committee shall adopt decisions by consensus; in case of disagreement, the subject will be raised to the Council of Administration

14.2. EXECUTIVE MANAGEMENT COMMITTEE

~~a. The Council of Administration appoints two of its members in the position of bank leaders (general manager and deputy general manager) from among its members and/or executive directors.~~

~~The Council of Administration appoints a number of maximum 11 (eleven) executive directors.~~

~~The bank leaders and the executive directors will form the Executive Management Committee of the bank presided by the general manager.~~

a. The Council of Administration appoints the bank leaders (general manager and deputy general managers) from among the executive directors.

The Council of Administration appoints a number of maximum 11 (eleven) executive directors.

The bank leaders and the executive directors will form the Executive Management Committee of the Bank presided by the general manager

b. The responsibilities, the powers and the competence limits of the Executive Management Committee as well as the individual members are determined by the Council of Administration and this Constitutional Act.

~~c. The Executive Management Committee meets and takes decisions with the absolute majority of its members and in the presence of at least one leader. Voting in the Committee can not be delegated~~

~~e. The Executive Management Committee meets and takes decisions with the absolute majority of its members and in the presence of at least one leader (general manager and deputy general manager). Voting in the Committee can not be delegated.~~

d. The Executive Management Committee presents its register of debates to the Council of Administration at each CA meeting.

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Art. 15 MANAGEMENT

- a. The current activity of the Bank is in the hands of the management consisting of department managers in the Bank's head office, managers and deputy managers of branches and heads of offices.
- e. The management acts in accordance with the regulations, rules and standards of the Bank, its powers and competence limits being established by the Management Committee and the Council of Administration.
- ~~c. The bank can be committed in any patrimonial transactions and its current activity solely based on two signatures in accordance with the provisions in the "Regime of signatures and competences" approved by the Council of Administration.~~
- ~~e. The bank can be committed solely based on two signatures of the bank leaders or persons authorized by them in respect of any patrimonial transactions and its current activity.~~
- d. The management shall be liable to the Bank, the administrators and third parties for the way they carry out their duties.

Art. 16 CENSORS AND FINANCIAL AUDITORS

The Bank shall have financial auditors, individual or legal persons, who fulfill the criteria and the conditions specified in the legislation and are active members of the Chamber of Financial Auditors.

The responsibilities, the powers and the competence limits of the financial auditors are in compliance with the current laws and are provided in the financial audit contract signed with the bank by the representatives authorized for this purpose.

The Bank appoints the company KPMG Audit S.R.L, based in Bucharest, street Bucuresti-Ploiesti, nr. 69-71, ground floor, room 02, Sector 1 as its financial auditor (based on the prior approval from NBR).

Art. 17 REGISTERS, BALANCE SHEET AND PROFIT DISTRIBUTION

- a. The registers provided in the law shall be the following:
 - (a) Shareholders' register which shall state the name, surname, company name, address or place of business of the shareholders as well as the payments made on account of the bank shares;
 - (b) Register of meetings and debates of shareholders;
 - (c) Register of meetings and debates of the Council of Administration;

- (d) Register of meetings and debates of the Executive Management Committee;
 - (e) Register of debates and findings of the financial auditors in exercising their mandate;
 - (f) Register of bonds including the mandatory provisions provided in the Law no.31/1990.
- b. The Council of Administration must make available to the shareholders the shareholders' register and that of the meetings and the debates of shareholders and release, upon request, excerpts of such registers at the expense of the shareholders.
 - c. The fiscal year for the Bank begins on January 1 and ends on December 31, each calendar year. The first fiscal year shall cover the period from the incorporation date of the Bank to the end of that fiscal year.
 - d. The Council of Administration shall prepare and present to the financial auditors in view of the preparation of the report to the General Meeting, the balance sheet of the previous fiscal year, the profit and loss account together with the report and any other underlying documents. The balance sheet and the profit and loss account shall be prepared in accordance with the law and the International Accounting Standards (published by the IASB Committee).
 - e. *The financial auditors shall verify if the financial statements are prepared in compliance with the accounting rules in force and shall prepare an audit report signed by the responsible person under the law. The annual financial statements together with the proposed profit distribution as well as the administrators' report for the financial exercise are submitted to the General Meeting for approval. The annual financial statements appropriately approved together with the administrators' report and the audit report shall be published in the Official Gazette. The General Meeting of Shareholders decides on the amount of the annual bonuses, the remuneration of the members in the Council of Administration, the Executive Management Committee as well as the amount and the purpose of the reserve fund, the special reserves and other funds under the law*
 - f. The approval of the balance sheet by the General Meeting shall not prevent, as the case may be, the exercise of a responsibility action against any administrator, manager or auditor.
 - g. The amount of Bank's revenues in excess of its expenses represents the gross profit. A part of this profit shall be allocated to the reserve fund to the level provided by the law.
 - h. Annually, the Bank must establish funds and provisions as provided in the law and they shall be calculated and utilized under the law. Such funds shall be used to cover losses resulting from failure to collect receivables under

disputes. Such debts are covered with the approval of the Council of Administration and only after exhausting all other legal means of recovery. The cases approved by the Council of Administration shall be presented for information to the shareholders at the first General Meeting.

- i. The gross profit, less the reserve fund, the risk fund (provisions) and the expenses charged to financial results, under the law, represent the taxable profit. The tax on profit is to be computed and paid according to the current legal provisions.
- j. The amount remaining from the taxable profit after the tax deduction represents the net profit to be distributed to the Bank shareholders, in accordance with the legal provisions in force and the decision of the General Meeting, or it may be used as a source to increase the share capital under Banking Law no. 58/1998.
- k. The shareholders are entitled to dividends in a value to be determined by the Council of Administration and approved by the General Meeting. The payment of the dividends due to shareholders shall be made in lei in accordance with the legal provisions in force. At the request of foreign shareholders, the due dividends may be transferred abroad in compliance with the law in the matter.
- l. Based on the amount of losses recorded in the accounts, the General Meeting shall decide whether to carry forward the loss to the following year, to cover such loss from the bank reserves or to decrease the share capital accordingly or even to dissolve the Bank in accordance with the legal provisions.
- m. The Bank shall open a current account with the National Bank of Romania and maintain the minimum compulsory reserves in accordance with the NBR regulations.
- n. The Bank shall keep the accounting records in accordance with the accountancy law and the NBR rules. On this base and in line with the international banking practice the Bank shall translate its financial statements into IAS.

Art. 18 BRANCH NETWORK

The Bank may establish subsidiaries, branches, agencies and representative offices anywhere in Romania and abroad according to its interests under conditions of efficiency and according to the law. Such bank units shall develop their activities according to the regulations approved by the Council of Administration, performing operations in the nature of those provided in this Constitutional Act.

Art. 19 PERSONNEL

- a. The personnel of the Bank must be professionally qualified and enjoy a good reputation. Employment shall be made on the basis of work contracts in compliance with the legal provisions relating to work relationship, state budget, taxation, etc.
- b. The personnel of the bank must not disclose any data or facts, either during the employment time or afterwards, that could prejudice the interest or reputation of the bank or its clients.
- c. The members of the Council of Administration as well as other bank employees, irrespective of their position, must keep the professional secret.
- d. The name of depositors and account holders and any transactions carried in their accounts shall constitute professional secrets.

Art. 20 CIVIL LIABILITY

The Bank shall be liable for errors in releasing money or recording in clients' accounts only to the extent of the value that has been erroneously released or recorded, unless it is proved that such mistakes have been caused by clients.

The liability of the Bank ceases upon expiry of the term set in the general conditions of the Bank. Account holders have the right and the obligation to inform the Bank about any failure to record an operation or any erroneous recording of the same. Any claims against the Bank shall be subject to the relevant prescription provided by legal provisions in force.

Art. 21 RELATIONS WITH THE NATIONAL BANK

- a. Periodically, the Bank will provide the National Bank of Romania the annual financial statements and any other requested information, in compliance with the regulations issued by the National Bank.
- b. The Bank will inform the National Bank of Romania about the loan and investment classification, as well as the related provisions, in compliance with the regulations issued by the National Bank.
- c. The Bank shall permit the National Bank of Romania to examine the Bank's records, accounts and operations exclusively for the purpose of banking supervision.

Art. 22 MERGER

The Bank may merge with one or several banks based on a decision of the General Meeting of Shareholders under this Constitutional Act to be published in the Official Gazette and in compliance with the formalities provided by the law and the NBR rules in the matter.

Art. 23 DISSOLUTION

The Bank may be dissolved as provided by the law and the NBR regulations. The dissolution is to be registered with the Trade Registry and published in the Official Gazette.

At the time such a decision is taken, the administrators may not continue to perform operations; otherwise they shall be jointly and severally liable for any such new operations.

Art. 24 LIQUIDATION

In case of dissolution, the bank enters a liquidation process to be performed by liquidators under the control of the auditors.

The decision of the General Meeting or the relevant court order replacing such decision must be submitted to the Trade Registry and be published in the Official Gazette.

The liquidators shall have the same responsibilities as the administrators. If they perform banking operations that are not necessary in the liquidation process, they are jointly and severally liable.

Upon completion of the liquidation process, the liquidators prepare the final balance sheet indicating the part of the net assets to be distributed for each share.

The final balance sheet signed by the liquidators and the auditors' report must be submitted to the Trade Registry to be recorded and published in the Official Gazette.

Art. 25 MISCELLANEOUS

- a. The following cases are considered to be offences or crimes and shall be punished under the law:
 - (a) the failure to observe the regulations issued by the National Bank of Romania in the application of the banking law;
 - (b) the performance of fictitious and groundless transactions.

- b. The Founders, the administrators, the managers and the auditors of the Bank who conceal a case of payment incapacity or violate the banking license and the legal provisions for banking activity may be dismissed from their positions by a decision of the National Bank of Romania even before a legal action is initiated.
- c. Any disputes arising among the founders and the other shareholders or the Bank and its employees in construing or executing the provisions in this Constitutional Act, which are not solved amiably, must be solved by the Court in the area where the Bank has its business place.

The provisions of this Constitutional Act shall be completed with those in the Commercial Code, the Law on commercial companies and the Banking Law.

This Constitutional Act was updated on _____.

Council of Administration

By
Horia Ciorcila

<p>Subsemnatul ADRIAN PONTA, traducator autorizat prin Ordinul Ministrului Justitiei nr. 393/1998 certifice exactitatea traducerii eu textul in scrisului original in limba romana, vizat de mine traducator.</p>	<p>I, ADRIAN PONTA, certified translator, licensed by Justice Minister's Order no. 393/1998, do hereby certify that this is a true and accurate translation of the text on the original document in Romanian, stamped by me, translator.</p>
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