

## ARTICLES OF ASSOCIATION

(updated)

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.T.Vladimirescu, 164
2. CONSTANTINESCU MIRCEA MIHAI	Romanian CLUJ	str. Memorandumului, 8
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 VIENA,	AUSTRIA Venediger AU 4/16
7. CHAMBER OF COMMERCE AND INDUSTRY CLUJ	represented by NICOARA MARIUS through a special power of attorney of 27 May 1993 Romanian CLUJ	b-dul Eroilor, 1
8. TOTHFALUSI JANOS	represented by Muntean Ioan - chairman Romanian CLUJ	str. Arges, 26
9. PLUSCAL SIMONA	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 C-TIN	Romanian ZALAU	str. Republicii, B3
16. AVRAM VASILE DORU	Romanian CLUJ	str. Fabricii, 7
17. RATIU IOAN	Romanian BUCURESTI	str. Armindeului, 4
18. GRUITA DAN FLORIN	( represented by GAVREA AUREL through a special power of attorney no. 13226) Romanian CLUJ	str. Carpati, 12
19. JEICAN CONSTANTIN MIRON	Romanian CLUJ	str. Brasov, 48
20. NISTOR DAN CALIN	Romanian CLUJ	str. Cimpului, 44
21. CIORCILIA HOREA	Romanian CLUJ	str. Amos Fincu, 2
22. BADIU NICOLAE IULIAN	Romanian CLUJ	str. Republicii, 28
23. CIURCHEA IOAN MARIUS	Romanian CLUJ	Calea Manastur, 89
24. COPANDEAN ALEXANDRU VELU	Romanian ZALAU	str. Republicii R97/3
25. GROISS IOSEF	STOCKERAU, AUSTRIA	Jessernigg str. 3
26. JAVORSZKY IMRE	( represented by NICOARA MARIUS through a special power of attorney no. 1865/93) VIENA, AUSTRIA	Hasnerstrasse 5 A1160
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 C-TIN	Romanian CLUJ	str. Napoca, 3/24
31. TARAN FLORIN EUGEN	Romanian CLUJ	str. Manastur,105 IG6
32. ALEXANDRU TIBERIU	Romanian CLUJ	str. Tatra nr.12
33. BANCIU ADELA ROXANA	Romanian CLUJ	Calea Floresti nr.1
34. CRISTEA GHEORGHE	Romanian CLUJ	str. Donath bl.IX
35. FPP 1 BANAT-CRISANA	Romanian ARAD	Calea Victoriei 33/35
36. MAIER FLORIN	Romanian ORADEA	str. Mimozei nr.3
37. MECIU EUGEN ALEXANDRU	Romanian CLUJ	str. Dorului nr.21
38. MERCEAN GLIGOR	Romanian CLUJ	str. Pietroasa nr.20
39. MICORICIU VALENTIN	Romanian ORADEA	aleea Apei Calde 20
40. MOGA MIRCEA	Romanian CLUJ	str. Sindicatelor nr.3
41. MOGA VOICA	Romanian CLUJ	str.Sindicatelor nr.3
42. NASUI SIMION IOAN	Romanian BUCURESTI	al. Dorohoi 6 sect.4
43. SILAGHI CLAUDIU EUGEN	Romanian CLUJ	str. C.Brincusi nr.2
44. TARTAN IOAN	Romanian CLUJ	str. Petrosani nr.2
45. GHITE SORIN VOICU	VIENA, AUSTRIA	WOLF SCHMAEZL
46. NASUI DOREL VASILE	S.U.A ILLINOIS	255 BRADWELL RD 60010

## ARTICLE 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.

## ARTICLE 2 INCORPORATION

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

## ARTICLE 3 LEGAL STATUS

BANCA TRANSILVANIA S.A. is a Romanian legal entity, a joint stock company, organized and existing under the provisions of these Articles of Association.

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

## ARTICLE 4 HEADQUARTERS

The bank's headquarters are in Cluj-Napoca, no. 8 G. Baritiu Street. 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.

## ARTICLE 5 DURATION

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

## ARTICLE 6 FIELD 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 field of activity is under Section K - Financial brokerage and insurances, Division 64 - Financial brokerage, except for insurances and pension funds, Group 641 - Monetary brokerage class **6419 - Other monetary brokerage 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 issue 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 (government securities, bonds);
- option contracts

6419 - brokerage on the inter-bank market;

6419 - to keep securities and other financial instruments in custody and for management;

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 - ensuring services of establishment and registration in the Electronic Archive of Security Interests in Movable Properties related to loans, letters of guarantee and other operations (acting as an operator of the Electronic Archive of Security Interests in Movable Properties); activity recorded under Article 18 (r) in the Gov. Ordinance 99/2006, respectively any other activities or services to the extent that they are related to the financial sector, under the legal provisions governing such special activities, if applicable.

4799 - operations with movables resulting from the enforcement of bank receivables (trading through non specialized stores);

6311 - data processing services;

- database management or similar services for third parties;

6612 - to issue electronic meal tickets (financial transaction intermediation activities), activity recorded under Article 18 (r) in the Gov. Ordinance 99/2006, respectively any other activities or services to the extent that they are related to the financial sector, under the legal provisions governing such special activities, if applicable.

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 - other education forms, (activity under Art. 18 paragraph 1, letter. r) in the Gov.

Ordinance 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 )*

## ARTICLE 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.

## ARTICLE 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.

## ARTICLE 9 SHARE CAPITAL

The Bank has a share capital of RON 5,215,917,925 divided into 5,215,917,925 shares, each having a par value of RON 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.

## **Article 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 Board of Directors of the Bank in compliance with the Articles of Association.

d. The provisions in the paragraph (c) from above regarding the application of principles for the share capital increase are also applicable for bonds convertible into shares.

By exception, for the convertible bonds issued on the basis of the GSM decision of 27.04.2012 (conferring preference rights to the shareholders recorded in the Shareholding Register at the registration date, respectively on 21.05.2012), an issue realized under the issue prospectus for subordinated convertible bonds, at the time of their conversion the share capital is to be increased, under the BoD responsibility, in compliance with the conditions set and approved in the bond issue prospectus in line with the Law no.31/1990, as modified and republished according to the legal provisions in force at that moment.

e. 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 share 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.

f. If half of the share capital is found to be lost, the Board of Directors 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.

## **ARTICLE 11 SHARES**

a. The bank's 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 Board of Directors, to receive a part of the net profit, annually in form of dividends and, in case of the bank's 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 Articles of Association 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 on 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).

## Article 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 Articles of Association, 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 be not a shareholder in the Bank, under legal conditions. 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 or other authorized persons.

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. General Meetings shall be convened by the Board of Directors, according to the law.

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

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:

- discuss, approve or modify the annual financial statements, based on the reports presented by the Board of Directors, or as the case may be, by the financial auditor and determine the dividends;

- appoint and revoke the members of the Board of Directors;

- appoint and revoke the financial auditor and determine the minimum duration of the financial audit contract;

- determine the remuneration of the members in the Board of Directors for the current exercise, if not established in the Conditional Act;

- decide on the performance of the Board of Directors;

- approve the budget for revenues and expenditure and the activity program for the financial exercise to come;

- (g) 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 at least 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 BoD 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. 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 the fifth part 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 Board of Directors 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 Board of Directors 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 any BoD members as well as to adopt decisions about the accountability of the members in the governing, management or control bodies.

g. The General Meetings of Shareholders shall be chaired by the chairman of the Board of Directors or a representative appointed by the chairman from among the BoD 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 Articles of Association 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 Board of Directors and the secretaries and recorded in the register for general meetings.

i. In addition to the majority required by the Articles of Association and 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 voting rights of the Bank's share capital.

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

- (a) (a) any resolution to amend or to supplement these Articles of Association;
- (b) (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) (c) any resolution to create, to withdraw, to suspend, to amend or to modify any pre-emption rights (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) (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 entity or otherwise);
  - (e) (e) any resolution to change the business line of the Bank or to change its business nature or scope (whether by broadening or ceasing any activity) in any material respect; and
  - (f) any resolution to change the auditors of the Bank.

### **ARTICLE 13 The Board of Directors**

a) The Bank is managed by a Board of Directors, consisting of the following members:

- Ciorcila Horia
- Vasile Puscas
- Ceocea Costel
- Costel Lionachescu
- Thomas Grasse
- Ivo Gueorguiev
- Bordea Mirela Ileana

and will be formed based on the following rules:

it will include a number of 7 members, elected by the General Meeting from among the shareholders or their representatives.

the members of the Board of Directors shall not be executives or employees of the Bank;

(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 Board of Directors, 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) each member of the Board of Directors shall be elected for a period of four years;

(e) at least half of the members of the Board of Directors must be Romanian citizens;



- (f) Before taking office, the members of the Board of Directors will be approved by the NBR in accordance with the applicable regulations.
- b. The chairman and the vice-chairman will be elected by the Board of Directors from among its members.
- c. The chairman of the Board of Directors may be a Romanian or a foreign citizen.
- d. After obtaining all prior authorizations from authorities, the signatures of the members of the Board of Directors will be submitted to the Trade Registry. If this obligation is not fulfilled, a director is considered to be divested of his rights.
- e. The responsibilities of the Board of Directors, exercised either directly or delegated, except for situations which are expressly forbidden by law, are the following:
- (a) to approve the Rules for Organization and Administration, the Code of Ethics and Conduct, the organization chart, the principles for staff remuneration and incentives;
- (b) to approve the internal rules of the bank; the Board of Directors may mandate the approval of the internal rules to the Leaders' Committee and/or other specific committees, as applicable;
- (c) to approve, as applicable and under competences, financing contracts for the bank's current business;
- (d) 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;
- (e) to approve writing-off 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;
- (f) to prepare proposals for the distribution of the net profit to be submitted to the General Meeting for approval;
- (g) to appoint and to revoke, any time and in a justified manner, the Bank's leaders (CEO and deputy CEOs) and to establish the remuneration and the mandate period for each of them. They appoint and revoke, any time and in a justified manner the executive managers, managers in the Head Office and the managers of branches and determine their powers and duties;
- (h) to approve loans over the competence limits of the Committee for Credit Policy and Approvals, at the proposal of the Committee;
- (i) to approve the position of a partner with unlimited responsibility in other competing companies for the Bank Leaders;
- (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 Bank's participation with capital in other companies (respectively to adopt decisions to create companies, to acquire shares in other entities, to increase or decrease capital participations, disposal /sale of participations);
- (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 approve and to implement the Bank's annual and quarterly operational budgets
- (o) 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;

(p) to approve any related transactions involving an investment or committing a loan which would account for 10% or more the BT's own funds;

(q) to establish the complete annual earnings for key personnel; the BoD may delegate this competence to a BoD committee;

(r) to approve the individual exposures to any related party to the bank within the limits determined by the Board of Directors;

(s) to approve and to implement a strategic plan for a minimum period of 2 years which is to be reviewed at least annually;

(t) 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;

(u) to approve any indebtedness with a due term over one year, representing more than 10% of the Bank's equity; and

(v) to approve any loan, guarantee or obligation assumed in derogatory conditions in line with the BT internal rules ;

f. The Board of Directors 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 Board of Directors and shall include the place, the time and the agenda of the meeting. The members of the Board of Directors 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 Board of Directors shall be chaired by the chairman and failing that by a member of the Board of Directors appointed for this purpose. The decisions of the Board of Directors 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 Board of Directors. Participation in Board of Directors meetings can also take place via remote communication devices (video conference, telephone conference etc).

Between the two BoD meetings, for urgent matters, resolutions may be submitted electronically to all board members and the same rules regarding quorum for approval are applicable for these decisions.

In addition to the requirements from above, the following decisions listed below from (a) to (d) shall require a simple majority of the BoD members and the vote of the BoD member appointed by the Relevant Investor in compliance with the provisions in these Articles of Association:

(a) any resolution to change, to supplement or to modify:

(i) the Policy Statement as adopted by the decision of the Board of Directors of 14 August 2001

or

- (ii) the Remuneration Policy adopted by the decision of the Board of Directors prior to the adoption of these Articles of Association 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 these Articles of Association;
- (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; and
- (e) the approval of every medium term business plan and
- (f) the appointment or the dismissal of any bank leader;.

The notices for meetings must be given to each member of the Board of Directors at least 5 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 Board of Directors appointed by the Relevant Investor (the "RI Member") does not attend the meeting (in person or by telephone), then any decision of the Board of Directors 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 Board of Directors deliberates and takes decisions on the major issues of the Bank's activity, excepting those reserved for the General Shareholders Meeting; the BoD's responsibilities are provided both by the law and these Articles of Association.

h. The Board of Directors 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 Board of Directors 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 directors 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 Articles of

Association.

j. The liability for acts or omissions does not extend to directors who have required their opposition to be noted in the registry of minutes of the Board of Directors and notified the auditors thereof in writing.

k. Any director 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 “i” from above. The members of the Board of Directors shall also be liable jointly with their immediate predecessors if, although being aware of any irregularities committed by such predecessors, they did not inform the auditors.

l. An director 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, if the terms and conditions of such transactions are just as favorable 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 Board of Directors has been obtained for each such transaction:
  - any member holding 5% or more of the Bank shares; or
  - any member of the Board of Directors or a related party to such a member; or
  - any employee of the Bank.

m. No director may be a member on more than five Boards of Directors, except for cases provided under paragraph (2), art. 153<sup>16</sup> in the Law no. 31/1990. Failing to observe this requirement shall be sanctioned in accordance with the law. The members of the Board of Directors may not be members on the boards of other banking companies operating in Romania and may not participate, without the express authorization of the Board of Directors, in other companies as partners with unlimited responsibility.

## **ARTICLE 14 LEADERS’ COMMITTEE**

### **14.1. Leaders’ Committee**

The management, organization and coordination of the bank’s current business is ensured by the leaders (directors) of the bank (Chief Executive Officers and deputy CEOs), appointed by the Board of Directors, who together form the Leaders’ Committee.

The Chief Executive Officer and deputy CEOs will form together the Leaders’ Committee.

The Board of Directors mandates the bank’s 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 and the Articles of Association for the activities they coordinate according to the bank’s organization chart. The leaders may, based on the received mandate, delegate some of their responsibilities in a clear and transparent way to specific committees/other structures or individually to executive managers and mid-level managers.

The Leaders’ Committee shall adopt decisions by consensus; in case of disagreement, the subject will be forwarded to the Board of Directors.

The Bank is validly bound in property related operations and current business in line with the internal regulations.

## **ARTICLE 15. 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, as its financial auditor (subject to NBR's prior approval), the company **PricewaterhouseCoopers Audit SRL**, having its registered office in, sector 2, str. Barbu Vacarescu nr. 301-311, Cladirea Lakeview, etajul 6/1, registered with the Trade Register under no. J40/17223/1993, tax identification number 4282940.

## **ARTICLE 16 REGISTERS, BALANCE SHEET AND PROFIT DISTRIBUTION**

- a. The Bank shall keep its books in line with the applicable legal provisions.
- b. The Board of Directors must make available to the shareholders information about the shareholding structure, as well as about the debates in the General Meetings and release, upon request, excerpts of such documents, 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 Board of Directors 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.
- e. The financial auditors shall verify if the financial statements are prepared according to the accounting regulations in force and shall prepare an audit report signed by the person who is authorized according to the law. The annual financial statements, together with the proposed profit distribution as well as the directors' report for the related financial exercise are submitted for approval to the General Shareholders Meeting. The annual financial statements, duly approved, together with the directors' report and the audit report shall be published according to the legislation in force. The General Shareholders' Meeting approves the amount of the annual bonuses, the remuneration of the members of the Board of Directors, of the chief officers 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 an accountability action against any director, 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 Board of Directors and only after exhausting all other legal means of recovery. The cases approved by the Board of Directors 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 the Banking Law.

k. The shareholders are entitled to dividends in a value to be determined by the Board of Directors 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.

#### **ARTICLE 17 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 Board of Directors, performing operations in the nature of those provided in these Articles of Association.

#### **ARTICLE 18 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 members of the Board of Directors, the bank's leaders and all bank employees, irrespective of their position, must respect the legal rules in force, including those on keeping professional secrets in the banking field.

#### **ARTICLE 19 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.

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.

#### **ARTICLE 20 MERGER**

The Bank may merge with one or several banks based on a decision of the General Meeting of Shareholders under these Articles of Association to be published in the Official

Gazette and in compliance with the formalities provided by the law and the NBR rules in the matter.

#### **ARTICLE 21 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 directors may not continue to perform operations. Otherwise they shall be jointly and severally liable for any such new operations.

#### **ARTICLE 22 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 directors. 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.

The provisions of these Articles of Association shall be completed with those in the Civil Code, the Law on companies, the Banking Law as well as any other applicable legal provisions.

These Articles of Association were updated on 24.04.2019, based on the General Shareholders Meeting Decision of 24.04.2019.

**Board of Directors,**

**Chairman,  
Horia CIORCILA**