

	<b>DIVIDEND POLICY</b>	
		Date of preparation: June 10 <sup>th</sup> , 2021
		Date of approval: July 5 <sup>th</sup> , 2021
	<b>Approved</b> <b>Board of Directors</b>	Date of review:
	<b>Endorsed</b> <b>PRESIDENT /GENERAL MANAGER</b> <b>Sorin-Iulian CIOACĂ</b>  <b>VICE-PRESIDENT /DEPUTY GENERAL MANAGER</b>  <b>MIHAI TRIFU</b>	

## Preamble:

The Dividend policy of S.I.F. Oltenia aims to satisfy both short-term investor interests and medium- and long-term institutional development, so that part of the net profit has been allocated to reserves, in order to create its own sources necessary for investment activity.

The distribution and payment of dividends, according to the decisions adopted by the ordinary general meetings, is presented over time as follows:

Indicator	2010 (RON)	2011 (RON)	2012 (RON)	2013 (RON)	2015 (RON)	2016 (RON)	2017 (RON)	2018 (RON)	2019 (RON)	2020** (RON)
Gross dividends to be distributed	43,513,834	75,421,543	75,421,543	92,826,514	69,619,886	52,214,914	40,611,600	84,081,469	52,214,914	25,000,000
Gross dividends paid	33,860,513	59,327,747	59,159,054	71,025,683	53,893,861	39,744,974	30,738,688	62,707,771	36,987,207	-
Gross dividends paid / Gross dividends to be distributed - % -	77.82	78.66	78.44	76.51	77.41	76.12	75.69	74.58	70.84	-
Gross dividend /share	0.075	0.13	0.13	0.16	0.12	0.09	0.07	0.15	0.10	0.05
Net profit	80,994,938	83,442,670	88,382,694	130,000,062	94,876,130	101,271,377	74,303,964	96,259,800	124,132,274	52,231,020
Allocation from net profit for dividends - % -	53.72	90.39	85.34	71.40	73.38	51.56	54.66	87.35	42.06	47.86

\* Gross dividends paid by May 31<sup>st</sup>, 2021

\*\* Payment date: July 30<sup>th</sup>, 2021

## Purpose

This Policy aims to establish the principles and objectives that can ensure the reward of shareholders through the distribution of dividends and/or share buy-back programs.

## General principles

The Investment Strategy of S.I.F. Oltenia S.A. aims mainly to improve the performance of the held portfolio by increasing the value of the managed assets, correlated with the increase of the investment revenues by taking advantage of the opportunities offered by the macroeconomic evolution and identifying those participations with a solid dividend yield.

The made investments will fall within the company's risk profile and within the applicable prudential limits and within the asset classes provided by the relevant legislation, aiming at maintaining a risk-return balance within the assumed risk parameters.

S.I.F Oltenia S.A., through its management structure, may propose to the Ordinary General Meeting the approval of the shareholders' remuneration in the form of dividend distribution or the development of programs for the repurchase of its own shares, even through Public Purchase Offers.

In the context of the capital markets volatility, S.I.F Oltenia S.A. aims to find an optimal balance between the need to ensure the resources to support the investment programs for increasing the net unit asset and the fulfilment of the investors' expectations regarding the distribution of dividends.

The annual level of cash distributions, subject to providing the financing resources necessary for the implementation of the investment strategy, will reflect the context of the national and European economic environment and will aim at creating the conditions for capitalizing investment opportunities.

Under favourable market conditions, subject to the application of the restrictions imposed by the legal or fiscal regulations and the necessary approvals, the S.I.F Oltenia S.A. Board of Directors may propose (if deemed to be in the shareholders' interest) the allocation of amounts to reward the shareholders by combining the two mechanisms:

- Dividend distribution
- Share buy-back

This Policy does not limit the amounts proposed for the approval of the General Shareholders' Meeting for the reward of shareholders, as long as the resources for the investment programs are also provided.

The distribution and calculation of the amounts for rewarding the shareholders will be made based on the audited financial statements, taking into account the total obtained revenues and the total operating expenses of the company.

## **Dividend distribution**

Dividend distributions are proposed annually by the Board of Directors and are paid in accordance with the Decisions of the Ordinary General Shareholders Meeting approving the Annual Individual and Consolidated Financial Statements and dividends.

With the approval of dividends, the General Shareholders Meeting also establishes the date on which they will be paid to shareholders. This date shall not be set later than 6 months from the date of the General Shareholders Meeting establishing the dividends.

The cash distributions are paid to shareholders in proportion to their holding in the share capital on the registration date established by the General Shareholders' Meeting.

The distribution of dividends to shareholders is made in the current year for the ended financial year.

The Company calculates and withholds the dividend tax due by the shareholders, in the quotas provided by the legislation in force on the date of payment, which it declares and transfers to the state budget.

Dividends approved and not collected for more than 3 years from the date of their maturity, for which the right to action is extinguished through prescription, may be proposed for recording in the company's accounts according to the legal provisions in force.

S.I.F. Oltenia S.A. publishes, prior to the payment date, *the Procedure regarding the payment of dividends* to shareholders on the website of the BVB market operator and on its own website – [www.sifolt.ro](http://www.sifolt.ro), in accordance with the legislation in force.

## Share buy-back programs

The Board of Directors may propose to the shareholders of S.I.F. Oltenia S.A. to approve the distribution of a part of the net distributable profit for the development of share buy-back programs, followed by the reduction of the share capital. These proposals have the advantage that they can reduce the discount between the share market price and the VUAN.

The Public Repurchase Offers (OPC) are made in compliance with the applicable legal provisions and within the limits proposed by the Board of Directors and approved by the shareholders.

The sources necessary to finance such programs are from the distributable profit or available reserves (excluding legal reserves) recorded in the Audited Annual Financial Statements, subject to approval.

Buy-back programmes shall have as their main objectives:

- Decreasing the discount between the net asset and the trading price;
- Increasing the liquidity of the SIF 5 share;
- Consolidating the shareholding structure;
- Providing remuneration to shareholders wishing to participate in the programmes.

At the same time, the approved buy-back programmes may offer the possibility of allocating shares to employees, in accordance with the Company's Remuneration Policy and depending on the company's performance objectives, the SIF5 share, the economic evolution and the capital market.

Shares acquired by S.I.F. Oltenia S.A. within the buy-back programs do not give the right to vote at the company's general shareholders meetings, nor the right to collect dividends during their holding by the Company.

## Review

The Policy is approved by the Board of Directors and may be revised in accordance with the applicable law and regulations or in the event of new mandatory legal regulations or provisions.

The dividend policy is published on the company's website - [www.sifolt.ro](http://www.sifolt.ro).

This dividend policy provides investors with information that can be used to adopt decisions to invest in S.I.F. Oltenia S.A. shares and does not constitute a certainty for rewarding the company's shareholders.

**President/General Manager**

**Vice-president/Deputy General Manager**

**Sorin – Iulian Cioacă**

**Mihai Trifu**