

MERGER PROJECT

(BY ABSORBTION)

BETWEEN

BURSA DE VALORI BUCURESTI S.A. / (BUCHAREST STOCK EXCHANGE)

AND

SIBEX – SIBIU STOCK EXCHANGE S.A.

FEBRUARY 24, 2017

Translation from the Romanian language; Romanian version shall prevail.

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Definitions

ASF	Financial Supervisory Authority
Implementation Date	Calendar day on which the Merger comes into effect under section 3 herein;
Date of the Merger Project	Date of this Merger Project (24.02.2017), date on which the Merger Project was signed by the assigned representative of the Board of Directors of Bursa de Valori Bucuresti S.A. and the assigned representative of the Board of Directors of SIBEX – Sibiu Stock Exchange S.A.;
Merger	The merger by acquisition process whereby SIBEX is to be absorbed into BVB, under Article 238 para. (1) letter a) of the Companies Law;
Merger Project	This document, including its schedules;
ONRC	Oficiul National al Registrului Comertului (National Office of the Trade Register);
Companies participating in the Merger	Bursa de Valori Bucuresti S.A. and SIBEX – Sibiu Stock Exchange S.A.;
Acquiring Company or BVB	Bursa de Valori Bucuresti S.A., a joint stock company, acting and operating under Romanian law;
Acquired Company or SIBEX	SIBEX – Sibiu Stock Exchange S.A., a joint stock company, acting and operating under Romanian law.

1. GENERAL INFORMATION ON THE MERGER

Taking into consideration the disposals:

- (i) Law no. 31/1990 on companies, as republished in Monitorul Oficial, Part I no. 1066/17.11.2004, as amended (hereinafter referred to as the **“Companies Law”**);
- (ii) Accounting Law no. 82/1991, as republished and amended (hereinafter referred to as the **“Accounting Law”**);
- (iii) Law no. 297/2004 on the capital market, as amended;
- (iv) with regard to the merger preparation based on the OMFP no. 897/2015 approving the Methodological Norms of accounting for the main operations of company merger, splitting, dissolution and liquidation operations, and for the withdrawal or exclusion of partners in companies (**“OMFP no. 897/2015”**);
- (v) The Instruction no. 2/2014 with regard to applying the International Financial Reporting Standards for entities authorized, regulated and supervised by the Financial Supervisory Authority, the Financial Instruments and Investments Sector, as amended;
- (vi) Competition Law no. 21/1996 as amended (the **“Competition Law”**);
- (vii) Law no. 227/2015 on the Fiscal Code, as amended (**“Fiscal Code”**);
- (viii) Law no. 67/2006 on the protection of employee rights in case of transfer of an enterprise, unit, or parts thereof (**“Law no. 67/2006”**);
- (ix) CNVM Regulation no. 1/2006 on issuers and of operations with securities;

- (x) CNVM Regulation no. 2/2006 on the regulated markets and alternative trading systems (**Regulation no. 2/2006**);

The administrators of BVB and, respectively, SIBEX have together prepared the terms and conditions of this Merger Project for the merger by acquisition of BVB, as the Acquiring Company, and SIBEX, as the Acquired Company.

The contents of this Merger Project was approved by the BVB Board, by decision no. 5/22.02.2017 and by the SIBEX Board by decision no. 17/23.02.2017.

After endorsement by the Director of the competent Trade Register Office and / or a designated person under the law, and once the legal formalities for publication have been completed, the Merger Project will be presented for approval to the Extraordinary General Meeting of Shareholders of the Companies participating in the Merger.

2. INFORMATION ON THE COMPANIES PARTICIPATING IN THE MERGER (Art 241 letter a) of the Companies Law)

The Merger regards the following companies:

	Acquiring Company	Acquired Company
Company name	Bursa de Valori Bucuresti S.A.	SIBEX – Sibiu Stock Exchange S.A.
Legal incorporation	Romanian legal person, incorporated as a joint stock company	Romanian legal person, incorporated as a joint stock company
Registered office	Bucuresti, Bdul. Carol I nr. 34-36, floors 13-14, sector 2, Romania	Sibiu, Piata Aurel Vlaicu nr 9-10, floor 3, Sibiu County, Romania
Trade Reg. No.	J40/12328/2005	J32/28/1994
Taxpayer Identification Number	17777754	6584502
Fiscal Attribute	RO	RO
Unlimited	Unlimited	Unlimited
Capital (subscribed and paid)	Lei 76,741,980	Lei 33,427,926
Nominal share value	Lei 10	Lei 1
Main scope of business	NACE CODE 6611 - Administration of financial markets	NACE CODE 6611 - Administration of financial markets
CNVM Decision	369/31.01.2006	356/31.01.2006
ASF Register No.	PJR11OPPR/400001	PJR11OPPR/320002
Other mentions	Issuer admitted for trading on the regulated market administered by BVB (ISIN Code: ROVBAAACNOR0; symbol: BVB)	Issuer admitted for trading on the regulated market administered by SIBEX (ISIN Code: ROSIBEACNOR3; symbol: SBX)

Shares issued by BVB are freely tradeable and accepted for trading on the regulated spot market managed by the BVB. On 31.01.2017, the synthetic structure of the BVB shareholders was as follows:

Shareholder Type*	Number of shares	% of equity
Romanian institution shareholders	5,540,065	72.19
Foreign institution shareholders	1,034,956	13.49
Romanian natural persons	1,056,712	13.77
Non-resident natural persons	42,465	0.55
Total	7,674,198	100

**Note: The total number of shareholders on 31 January 2017 was 1,245.*

Shares issued by SIBEX are freely tradeable and accepted for trading on the regulated spot market managed by SIBEX. On 31.01.2017, the summary structure of the SIBEX shareholders was as follows:

Shareholder Type*	Number of shares	% of equity
Romanian institution shareholders	15,277,710	45.70
Foreign institution shareholders	2,813,205	8.42
Natural persons	15,337,011	45.88
Total	33,427,926	100

**Note: The total number of shareholders on 31 January 2017 was 136.*

Until the Implementation Date, the number of shareholders and their participation in the BVB and SIBEX equity, respectively, may undergo changes depending on the transactions carried out on the regulated market where the shares are admitted to trading.

The management of the Companies participating in the Merger:

- The Companies participating in the Merger are administered under a unitary system, by 9-member Board of Directors (BVB) and , respectively, by 5-members (SIBEX) Board of Directors.
- On the Date of the Merger Project, the Board members of BVB include*:

Lucian Anghel, Chairperson	Octavian Molnar, Member
Valerian Ionescu, Vice-Chairperson	Otto Emil Naegeli, Member
Robert Cosmin Pana, Vice-Chairperson	Dan Viorel Paul, Member
Cristian Micu, Secretary General	Gabriel Marica, Member

**There is a vacancy as a result of resignation of Mr. Radu Toia, starting 13.02.2017.*

- On the Date of the Merger Project, the Board members of SIBEX include:

Ovidiu-Dan Galatanu, Chairperson	Grigore Chis, Member
Bogdan Balosan, Vice-Chairperson	Iulian Stan, Member
Petros Iakovou, Member	

The Board of Directors composition may undergo changes between the Date of the Merger Project and the Implementation Date.

3. MERGER BACKGROUND and CONDITIONS (Art 241 letter b) of the Companies Law)

3.1. Legal Basis

This Merger Project was prepared under art 238 para (1) letter a) and 241 of the Companies Law and was approved by the Boards of Directors of the Companies participating in the Merger.

In April 2016, the shareholders of BVB and SIBEX decided to start negotiations between BVB and SIBEX in view of a potential merger. Later, the merger was approved in principle by the shareholders of each Company participating in the Merger by:

- The decision no. 1 of the BVB Extraordinary General Shareholders Meeting as of 14.12.2016, published in Official Gazette, Part IV no. 92 of 9 January 2017; and
- decision no. 2 of the SIBEX Extraordinary General Shareholders Meeting of 9.01.2017, published in Official Gazette, Part IV no. 349 of 2 February 2017.

In consideration of the status of the Companies participating in the Merger as market and system operators under the ASF supervision, the Merger may be completed subject to approval by the ASF and will become effective on the Date of Implementation, as mentioned in this Merger Project.

3.2. Economic Background to the Merger

BVB and SIBEX work as market and system operators, managing regulated markets and alternative trading systems based on decisions of the Romanian National Securities Commission (currently Financial Supervisory Authority - ASF). Starting 2010, the shares of each of the merging companies are listed on its own regulated market.

BVB belongs to a representative group of the capital market in Romania, with proven international recognition. BVB actively participates and supports the development of the capital market and investments in Romanian companies, by permanent collaboration with the representative institutions of the Romanian state and communities of entrepreneurs and investors. BVB has financial solidity and maturity that allow the development of projects with the purpose of consolidating its business.

The BVB-SIBEX merger is justified by the following direct and indirect economic benefits:

- a) more efficient allocation of resources from the central market infrastructures by bringing together the two entities into a single administrative unit;
- b) more efficient use of the SIBEX financial resources, currently concentrated in the SIBEX Depository;
- c) higher market value of the company in the form resulting from the Merger;
- d) potential synergies that might result in an increased profitability for BVB;
- e) streamlined operations and processes in managing five markets and two post-trading structures. Following the Merger, BVB is to become the single market and system operator in Romania able to manage a regulated spot market, a regulated derivatives market, and an alternative trading system;
- f) simplified monitoring of the Companies participating in the Merger and uniform supervision of the issuers accepted for trading;
- g) a single central depository in Romania, concentrating the specific services for all issuers, participants in the system and investors;

- h) a unitary approach in seeking a solution for the central counterpart (CPC) services;
- i) conditions for the cost structure optimization brokerage companies and credit institutions that are members of both spot markets, following the streamlining of the technological infrastructure, operations and processes, with potential cost optimization for investors, as the investment/trading might use the same trading and post-trading structure;
- j) The Merger will contribute to the consolidation of the local capital market, by creation of a new architecture, with the BVB acting as the single local group.

3.3. Merger Conditions and Effects

The Merger will be achieved by BVB absorbing SIBEX under Art 238 para. (1) letter a) of the Companies Law.

The Merger will be achieved by full transfer of the assets of the Acquired Company (which will dissolve without entering into liquidation and will be deleted from the records of the Trade Register and from any other records, including of the ASF) to the Acquiring Company, with all its rights and obligations at the Date of Implementation, subject to obtaining the necessary approvals from the ASF.

All rights *in rem* and claims associated to the SIBEX assets will be transferred to the BVB. Correlatively, all the obligations, personal, *propter rem* and *scriptae in rem* associated to the SIBEX assets will be consolidated with the BVB assets, by universal legal succession, on the Date of Implementation.

As of the Date of Implementation, the Acquiring Company will acquire all the material and procedural rights in all the cases where the Acquired Company is a party (if any) and/or in future cases, in relation to the assets acquired in the Merger operation and will undertake all the obligations associated to such material and procedural rights. For the disputes listed with the courts where the Acquired Company is a party, irrespective of the state of the trial, the Acquiring Company will subrogate to all the procedural rights and obligations of the Acquired Company, as applicable, and take on its legal standing, as of the Implementation Date.

In enforcing Regulation no. 2/2006, ASF is to withdraw, with effect on the Date of Implementation at the latest, the SIBEX authorizations for operating the regulated markets and alternative trading system, as well as the authorization as professional organism. BVB will continue its activities based on its own authorizations and under the regulations in force, without incorporating any of the markets operated by SIBEX.

As a result of the Merger, BVB will maintain its main scope of business, i.e. CAEN Code 6611 - Administration of financial markets, as well as its secondary scope of business and its identification details. Following the Merger, SIBEX will cease to exist, losing its legal personality, will dissolve without liquidation, and is to be deleted from the sections of the Registry held by ASF, and from the records of the Trade Register Office at Sibiu Court, at the conclusion of the merger process. Procedures will also be initiated to delete SIBEX from any other public register.

In exchange for the shares held by the Acquired Company, its shareholders will receive shares in the Acquiring Company, thus benefiting from the advantages of being listed on the regulated market managed by the BVB.

Following the implementation of this Merger, the BVB share capital will increase accordingly, by the issuance of new shares to be allocated to the SIBEX shareholders, as specified below.

Any lender of the Companies participating in the Merger with a clear cash claim predating publication of the Merger Project, and not mature on the date of publication, who may feel threatened by the Merger implementation, may oppose. Opposition must be declared within 30 days of publication of the Merger Project in Romanian Official Gazette, Part IV.

3.4. Date of Implementation

The Boards of Directors of the Companies have decided that the Date of Implementation (the date on which the Merger will take effect) is to be the first day of the calendar month following the calendar month in which the competent Court approves the Merger.

Before submitting the request to the competent Court, the Companies involved in the merger will perform the procedures and formalities required by applicable regulations, including, but not limited to, obtaining authorization from the ASF with regard to the BVB's share capital increase.

4. CONDITIONS FOR SHARE ALLOCATION (Art 241 letters c), d) and e) of the Companies Law)

4.1. Information on the Acquiring Company prior to the Merger

On the date of preparing the Merger Project, the equity of BVB is 76,741,980 lei, totally subscribed and paid in. The capital is divided into 7,674,198 nominal, ordinary, dematerialized shares, each share having a nominal value of 10 lei.

The shares issued by BVB are listed on the main market managed by BVB. Until the Implementation Date, the number of shareholders and their participation may undergo changes depending on the transactions carried out on the spot regulated market where the shares are admitted to trading. The BVB Shareholders registry is held by Depozitarul Central S.A.. At the time of preparing the Merger Project, BVB does not hold any SIBEX shares.

The patrimony of the Acquiring Company as of 31.12.2016 is as follows:

	Value (lei)
Total Assets	99,060,988
Total Debts	3,311,285
Equity	95,749,703
Net Assets	95,749,703

4.2. Information on the Acquired Company prior to the Merger

At the time of preparing the Merger Project, the equity of SIBEX is 33,427,926 lei, totally subscribed and paid in. The capital is divided into 33,427,926 nominal, ordinary, dematerialized shares, each share having a nominal value of 1 leu.

The Shareholders registry of SIBEX is held by Depozitarul SIBEX S.A.. Until the Implementation Date, the number of shareholders and their participation may undergo changes depending on the transactions operated on the stock market. At the time of preparing the Merger Project, SIBEX does not hold any BVB shares.

The patrimony of the Acquired Company as of 31.12.2016 is as follows:

	Value (lei)
Total Assets	17,132,755
Total Debts	471,743
Equity	16,661,012
Net Assets	16,661,012

4.3. Information with regard to the Exchange Ratio

Based on the Board of Governors decisions of each company, the evaluation of the Companies participating in the Merger was performed by an independent consultant, i.e. Deloitte Consultanta SRL, (CUI:2626460) with registered offices: 4-8 Nicolae Titulescu Road nr. 4-8, East Wing Entrance, 2nd floor, district 1, Bucharest.

The market values of each Company participating in the Merger were established based on the financial statements as of December 31, 2016.

The valuation of **BVB** at the reference date 31.12.2016 was made by the designated consultant in valuation, using the **Income Approach**, applying the **Discounted Cash Flows** method (“DCF”). The DCF conducted to an estimation of the market value of 100% of the BVB equity interest, of **275,292,020 lei** (included in the interval: 256,000 thousand lei – 295,300 thousand lei).

The valuation of **SIBEX** at the reference date 31.12.2016 was made by the designated consultant in valuation using the **Asset Valuation Approach**, by applying the **adjusted net assets method**. The adjusted net assets method conducted to an estimation of the market value of 100% of the SIBEX equity interest of **14,399,222 lei**.

Therefore, according to the valuation reports of BVB and SIBEX, the market value estimate of 100% equity interest on the reference date 31.12.2016, was:

- for the Acquiring Company, the total market value was **275,292,020 Lei**. The market value per BVB share was: 275,292,020 Lei / 7,674,198 shares, i.e.: **35.872416 Lei/share**.
- for the Acquired Company, the total market value was **14,399,222 Lei**. The market value per SIBEX share was: 14,399,222 Lei / 33,427,926 shares, i.e.: **0.430754 Lei/share**.

The exchange ratio was determined by relating the market value of a SIBEX share to the market value of a BVB share. Thus **the exchange ratio is: 0.01200795**.

The role of the exchange ratio is to establish the parity of the shares of the Companies participating in the Merger, providing the accounting-mathematical support in the issuance of new shares for the shareholders of the Acquired Company. In the light of the above, one SIBEX share will be exchanged for **0.01200795** BVB shares. SIBEX shareholders will not make any cash payment for the issued shares issued by and allocated by the Acquiring Company.

4.4. Information on the newly issued shares and the associated rights of the shareholders

The maximum number of shares to be issued by BVB as effect of the Merger is determined by multiplying the number of SIBEX shares as of the date of the Merger Project by the exchange ratio.

Following the Merger, BVB will issue a maximum number of 401,401 new nominative, ordinary, dematerialized shares, each share in nominal value of 10 Lei, with the value of the BVB equity to be increased from Lei 76,741,980 Lei to 80,755,990 Lei. Following the Merger, the equity of BVB will be divided into maximum 8,075,599 shares. The newly issued BVB shares will be allocated to the SIBEX shareholders registered with the SIBEX shareholders registry on the date of registration of the general meeting of shareholders decisions approving the merger of the two Companies participating in the Merger.

The SIBEX shareholders will receive shares issued by BVB at the applicable exchange ratio. The number of shares allocated to each registered SIBEX shareholder in the SIBEX shareholders registry on the registration date will be determined by multiplying the number of SIBEX shares held by the exchange rate determined under section 4.3 above. Where, by applying the exchange ratio to some SIBEX shareholders, the result would be fractions of shares, an integer number of shares in the BVB equity will be allocated by applying downward rounding to the nearest integer algorithms.

The shareholders having to accept downward rounded participation will be compensated by an amount to be determined as reported to the proper fraction of the market value of a share BVB established through the valuation report, i.e. 35.872416 lei.

Since holdings in the share capital of companies participating in the merger may vary between Merger Project date and the date on which it will determine the final structure of shareholders of the Acquiring company following the merger, including as a result of exercising the right of withdrawal covered by Art 134 of the Companies Law, it can't be determined an exact amount of the BVB capital following the merger at the date of this Merger Project. Consequently, the Board of Directors of BVB, with the support of the Board of Directors of the Acquired company will carry out the operations necessary to implement the capital increase as a result of the merger and the appropriate allocation of new shares issued by BVB to the entitled shareholders of SIBEX. In exercising its prerogatives, it will proceed at establishing of the allocation of the newly issued shares of BVB through the procedure of rounding down to the integer nearest number to the shareholders holding shares in SIBEX on registration date and who have not exercised the right of withdrawal under Art 134 of the Companies Law. Also, the Board of Directors of BVB will determine the final value of the capital increase of BVB (i) by cancelling of those BVB shares that would have been allocated in the account of SIBEX shares for which it has been exercised the withdraw right and (ii) by the cancellation of those shares issued by BVB and which, because of rounding operations are not allocated to shareholders SIBEX.

SIBEX shareholders will become the holders of the newly issued BVB shares at the date of registration with the BVB shareholders registry held by Depozitarul Central S.A., in accordance with the regulations of ASF, BVB and Depozitarul Central S.A.. Thus, SIBEX shareholders who will receive BVB shares will be able to exercise the Company shareholder rights starting the date of registration within the shareholders registry held by Depozitarul Central S.A.

The right to participate in the benefits and any other rights assigned by BVB General Shareholders Meeting decisions pertain to all persons in the capacity of BVB shareholder on the registration date established under Law 297/2004, after the Implementation Date.

5. INFORMATION ON THE SHARE PREMIUM (Art 241 letter f) of the Companies Law)

The share premium is determined as the difference between the net assets value of the Acquired Company and the value of share capital increase of the Acquiring Company.

Calculation of the share premium is shown in Annex no. 2 to this Merger Project.

6. INFORMATION ON SHAREHOLDER RIGHTS (Art 241 letter g) of the Companies Law)

Neither Company participating in the Merger has issued shares that might grant special rights to the shareholders, nor any bonds or other types of securities.

Therefore, following the Merger, the Acquiring Company will not grant any rights mentioned in Art 241 letter g) of the Companies Law.

7. INFORMATION ON SPECIAL ADVANTAGES (Art 241 letter h) of the Companies Law)

Following the Merger, no special advantage will be granted to persons mentioned in Art 241 letter h) of the Companies Law.

8. INFORMATION ON THE MERGER FINANCIAL STATEMENTS (Art 241 letter i) of the Companies Law)

For both Companies participating in the Merger, the date of the financial statements based on which the Merger conditions have been established shall be 31.12.2016.

The Annex no. 1 includes information on financial information as of 31.12.2016 for BVB, respectively SIBEX, as well as the combined (post-merger) situation as of 31.12.2016.

In order to prepare the Merger financial statements, an inventory of the elements including assets, debts and equity was undertaken under the Accounting Law provisions.

Reports will be prepared to find that the assets of the Acquired Company were taken over by the Acquiring Company, as an effect of the Merger.

The SIBEX patrimony will be transferred in whole to BVB as result of the Merger. Between those assets to be transferred to the Acquiring Company, there are the financial assets in the form of shares in other companies, as presented in the Annex no. 3.

9. DATE AFTER WHICH THE TRANSACTIONS OF THE ACQUIRED COMPANY ARE CONSIDERED IN THE ACCOUNTING AS BELONGING TO THE ACQUIRING COMPANY (Art 241 letter j) of the Companies Law)

From legal and accounting perspective, the transactions in which SIBEX is involved, its assets and liabilities, and its rights and obligations will be considered to belong to BVB from the Implementation Date onwards.

10. RIGHT TO WITHDRAW FOR THE SHAREHOLDERS OF THE COMPANIES INVOLVED IN THE MERGER

Under Art 134 of the Companies Law, the shareholders of the Companies participating in the Merger who did not vote in favor of the decision to merge, have the right to withdraw from those companies and to request to the relevant companies the buy-back of the respective shares. The price paid by the relevant company for the shares of a withdrawing shareholder will be established by an independent authorized expert, as an average value resulting from the application of at least two methods recognized under the legislation in force at the valuation moment.

The withdrawal right may be exercised by the respective shareholders within 30 days of the adoption of the decision to approve the Merger by the Extraordinary General Meeting of Shareholders of that Company participating in the Merger. In order to facilitate the exercise of this right, the Boards of Directors of BVB and SIBEX will prepare and make available to the shareholders a set of rules.

11. OTHER PROVISIONS THAT ARE OF INTEREST FOR THE MERGER:

- ✓ The merger will not result in an increase of the obligations of shareholders in the Companies participating in the Merger.
- ✓ The articles of incorporation of the Acquiring Company will be amended in the light of the Merger Project and the decision of the Extraordinary General Meeting of Shareholders with regard to the final approval of the Merger.
- ✓ Following the Merger, the shares issued by BVB will continue to be traded on the regulated market operated by BVB.
- ✓ The Acquired Company will make the necessary efforts to ensure archiving of the background documents and its own accounting registers, with the help of the Acquiring Company. In formalising the delivery of SIBEX assets to the BVB, the lists of archived documents of the Acquired Company must also be submitted.
- ✓ The Companies participating in the Merger have a financial year identical to the calendar year.
- ✓ The intended Merger operation does not represent an economic concentration for the purposes of the

Competition Law, as the Companies participating in the Merger do not meet the turnover threshold conditions for notification. However, the Companies participating in the Merger have communicated in writing the intended Merger to the Competition Council, by the memo registered under no. 1841/17.02.2017.

- ✓ The Companies participating in the Merger have asked the Competition Council to notify, under the applicable law, the Supreme National Defense Council on this Merger process.
- ✓ At the Implementation Date, the agreements concluded between SIBEX and the Board of Governors of SIBEX will cease.
- ✓ The expenses necessary for the Merger are to be borne by each Company participating in the Merger.
- ✓ For accounting purposes, i.e. according to Instruction no. 2/2014 on the application of International Financial Reporting Standards adopted by the European Union for entities authorized, regulated and supervised by the ASF, as amended, this Merger falls under the applicable provisions of International Financial Reporting Standard no. 3, Business Combinations (IFRS 3).

IFRS 3 applies to a transaction or other event that corresponds to a business combination. This merger is a transaction that meets the definition of a business combination.

IFRS 3 provisions require the application of the purchase method, namely: a) identifying the acquirer (Acquiring Company - BVB), b) determining the date of acquisition, c) recognition and measurement of identifiable assets acquired, liabilities assumed and any controlling interests in the acquiree (the Acquired Company - SIBEX), and d) recognizing and measuring either a goodwill or a gain from a favorable transaction.

Based on the report issues by the independent evaluator, the Acquired Company's balance sheet items will be taken over by the Acquiring Company at the value resulting from the valuation process.

Under IFRS 3, Art 34, we estimate that BVB will make a purchase in favorable terms, considering the total net worth of the acquisition date of the identifiable assets acquired and liabilities assumed evaluated (according to the evaluation report) is greater than the value of the consideration transferred consists in the value of holdings in equity issued by BVB, through the BVB capital increase.

BVB will have to re-evaluate the correct identification of all assets acquired and liabilities assumed and all you have to recognize any additional assets or liabilities identified at the acquisition date.

Following these steps, if the favorable buying conditions will result in a surplus, this surplus should be recognized as a gain in BVB profit and loss account, at the acquisition date.

The estimated gain from the merger is shown in Annex. 2 to this Merger Project.

The following annexes are an integral part of this Merger Project:

Annex. 1 Financial information from the Financial statements for the merger, of the companies involved in merger and the post-merger outcome

Annex. 2 Computation of the Acquisition Premium

Annex. 3 Financial assets from the SIBEX statement – Available for sale financial assets

Therefore we elaborated this Merger Project, based on calculations and based on the financial situations of the Companies participating in the Merger, which reflect the financial situation as of December 31, 2016.

Bursa de Valori Bucuresti S.A.

By Lucian-Claudiu Anghel,

President of the Board of Directors

SIBEX – Sibiu Stock Exchange S.A.

By Ovidiu-Dan Galatanu,

President of the Board of Directors

Annex no. 1- Financial information from the Financial statements for the merger, of the companies involved in merger and the post-merger outcome

IFRS-Statement of financial position

All amounts in Ron	Bursa de Valori	Sibex-Sibiu	Stock	Sibex-Ajustments	Merger adjustments	Bursa de Valori
	Bucuresti SA	Exchange SA		from valuation and	BVB - estimated	Bucuresti SA
	31 december 2016	31 december 2016		merger		Post -merger
	Acquiring Company	Acquired Company				
Assets						
Tangible assets	4,790,411	21,880		47,900	-	4,860,191
Intangible assets	805,147	5,393		1,300	-	811,840
Investments in subsidiaries	20,486,004	-		-	-	20,486,004
Held-to-maturity financial assets	49,049,410	-		-	-	49,049,410
Available-for-sale financial assets	2,200,297	15,310,719		(206,700)	-	17,304,316
Other fixed assets	-	10,628		-	-	10,628
Total fixed assets	77,331,269	15,348,620		(157,500)	-	92,522,389
Trade and other receivables	1,547,902	84,533		-	-	1,632,435
Prepayments	196,475	-		-	-	196,475
Bank deposits	18,381,509	1,603,648		-	-	19,985,157
Cash and cash equivalents	1,603,833	89,760		-	-	1,693,593
Other assets	-	6,194		-	-	6,194
Total current assets	21,729,719	1,784,135		-	-	23,513,854
Total assets	99,060,988	17,132,755		(157,500)	-	116,036,243
Equity						
Share capital	76,741,980	34,976,156		(34,976,156)*	4,014,010	80,755,990
Acquisition premium (Gain from merger)	-	-		-	10,385,212	10,385,212
Legal reserve	7,283,529	-		-	-	7,283,529
Revaluation reserve	1,173,587	-		-	-	1,173,587
Fair value reserve	837,628	-		-	-	837,628
Retained earnings	9,712,979	(18,315,144)		18,315,144*	-	9,712,979

All amounts in Ron	Bursa de Valori Bucuresti SA	Sibex-Sibiu Exchange SA	Stock	Sibex-Ajustments from valuation and merger	Merger adjustments BVB - estimated	Bursa de Valori Bucuresti SA
	31 december 2016	31 december 2016				Post -merger
Total shareholders' equity	95,749,703	16,661,012		(16,661,012)*	14,399,222	110,148,925
Provisions	-	11,000		-	-	11,000
Total long term payables		11,000		-	-	11,000
Payables						
Trade and other payables	1,863,602	460,743		-	-	2,324,345
Deferred income	828,658	-		-	-	828,658
Current corporate income tax payables	459,477	-		-	-	459,477
Deffered tax - liability	159,548	-		-	-	159,548
Contingent liabilities and provisions	-	-		2,104,290	-	2,104,290
Total current payables	3,311,285	460,743		2,104,290	-	5,876,318
Total payables and equity	99,060,988	17,132,755		(14,556,722)	14,399,222	116,036,243

*-adjustment from the merger

Annex no. 2 – Computation of the Acquisition Premium*

Exchange rate formula		
Ron	BVB	SIBEX
Market value of equity-Ron	275,292,020.00	14,399,222.00
Number of shares	7,674,198	33,427,926
Market value / share-Ron	35.872416	0.430754
Exchange rate for the shares	0.01200795	
New BVB shares to be issued	401,401	
Shares nominal value-Ron	10.00	1.00
BVB Share Capital Increase - Ron	4,014,010.00	
Acquisition premium (Gain from merger)-Ron	10,385,212	

*Given that the final number of shares to be issued for the share capital increase of BVB, will be determined at a later date of the merger, the acquisition premium gain from the merger) will be adjusted properly to reflect the final amount of the increase.

Annex no. 3 Financial assets from the SIBEX statement – Available for sale financial assets

At merger date

Name	%	Amount (Ron)	Adjusted value (Ron)
Holdings in Casa Romana de Compensare S.A.	41.19%	227,288	234,200
Holdings in Depozitarului Sibex S.A.	73.14%	15,078,081	14,864,400
Holdings in Casa de Compensare Bucuresti S.A.	0.0197%	5,350	5,350
TOTAL Available-for-sale financial assets		15,310,719	15,103,950