

**M e r g e r P r o j e c t**  
**( b y A b s o r p t i o n )**

The merger project have been drawn up by the Management Board of BANCA COMERCIALA CARPATICA S.A. and the Management Board of PATRIA BANK S.A. and includes the terms and conditions of the merger by absorption between:

**BANCA COMERCIALĂ CARPATICA S.A.**

in capacity of absorbing company

and

**PATRIA BANK S.A.**

in capacity of company being absorbed

Date: 12 August 2016

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## 1. Definitions

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| <b>ASF – SIIF</b>                        | means the Financial Supervisory Authority – Financial Instruments and Investments Sector, respectively the authority established pursuant to Emergency Ordinance 93/2012 on the establishment, organization and operation of the Financial Supervisory Authority, which substituted the former National Securities Commission in all rights and obligations;  |
| <b>BNR</b>                               | National Bank of Romania;   |
| <b>Reference Date</b>                    | 31 <sup>st</sup> of May 2016, representing the date of the Merger Financial Statements;   |
| <b>Implementation Date</b>               | means the calendaristic date when the Merger becomes effective in accordance with the provisions of article 241, letter j) and article 249, letter b) of the Companies Law, respectively the first day of the month immediately following the calendaristic month when the prior approval of BNR is obtained and the court order issued by the qualified court, approving the Merger and ordering the registration of its effects with ONRC is drawn up;  |
| <b>Date of the Draft Terms of Merger</b> | means the date of these Merger Project , respectively 12 <sup>th</sup> of August 2016, date when the Merger project is approved by the Management Board of PATRIA BANK S.A. and Management Board of BANCA COMERCIALĂ CARPATICA S.A.;  |
| <b>Merger</b>                            | means the process of merger by absorption of PATRIA BANK S.A. (company being absorbed ) by BANCA COMERCIALĂ CARPATICA S.A. (absorbing company), in compliance with the provisions of Article 238, letter a) of the Companies Law, whereby all assets of PATRIA BANK S.A. are transferred to BANCA COMERCIALĂ CARPATICA S.A., in accordance with the terms and conditions stipulated in this Merger Project ;  |
| <b>Companies Law</b>                     | means Law 31/1990 regarding companies, with subsequent amendments and supplements;  |
| <b>Merger Project</b>                    | means this project , including each and all Annexes enclosed thereto;   |
| <b>Merger Financial Statements</b>       | means the financial statements of the Companies, based on which the Merger terms have been established in compliance with the provisions of Article 241, letter i) of the Companies Law, respectively:<br><br>(a) Audited special-purpose Provisional Financial Information of Patria Bank S.A. as at 31 <sup>st</sup> of May 2016, prepared for the purpose of the Merger, in accordance with the recognition and evaluation principles applied by Patria Bank at preparing the most recent complete set of financial statements compliant with the International Financial Reporting Standards ("IFRS") at 31 <sup>st</sup> of December 2015, except for IFRS 10 "Consolidated Financial Statements", and in compliance with the accounting policies described in the Notes, as well as with the prerequisites of the Accounting Law no. 82/1991 republished, as subsequently amended and supplemented, on organization and |

bookkeeping of financial records;

and

(b) Audited special-purpose Provisional Financial Information of Banca Comercială Carpatica S.A. as at 31<sup>st</sup> of May 2016, prepared for the purpose of the Merger, in accordance with the recognition and evaluation principles of the International Financial Reporting Standards ("IFRS") and in accordance with the accounting policies of Banca Comercială Carpatica S.A. described in the Notes, as well as with the prerequisites of the Accounting Law no. 82/1991 republished, as subsequently amended and supplemented, on organization and bookkeeping financial records.

**ONRC**

means the National Trade Register Office;

**Companies**

means BANCA COMERCIALĂ CARPATICA S.A. and PATRIA BANK S.A., merging companies;

**Absorbing Company  
or Banca Carpatica**

means BANCA COMERCIALĂ CARPATICA S.A., a single-tier stock company established and operating in compliance with the laws of Romania, having its registered office in Romania, 31 Brezoianu Ion, Actor Street, floors 1, 2 and attic, Sector 1, Bucharest, licensed by BNR as credit institution, registered in the Register of Credit Institutions under number RB-PJR-32-045, having the running number in the Trade Register J40/9252/2016, sole registration code 11447021 and having a share capital subscribed and paid-up in full in amount of RON 220,274,282.20;

**Company being  
absorbed or Patria  
Bank**

means PATRIA BANK S.A., a single-tier stock company established and operating in compliance with the laws of Romania, having its registered office at 1B Pipera Avenue, Voluntari, Cubic Center, 7<sup>th</sup> floor, Ilfov County, Romania, licensed by BNR as credit institution, registered in the Register of Credit Institutions under number RB-PJR-26-020, having the running number in the Trade Register J23/2563/2016, sole registration code 4786360, and having a share capital subscribed and paid-up in full in amount of RON 194,529,507.4.

## **2. Preamble**

In compliance with Article 238 letter a) and Article 241 of the Companies Law, the Management Board of Banca Carpatica and the Management Board of Patria Bank have drawn up this Merger Project for Merger purposes.

The Extraordinary General Shareholders Meeting of Banca Carpatica of 2<sup>nd</sup> of April 2016 and the Extraordinary General Shareholders Meeting of Patria Bank 21<sup>st</sup> of April 2016 have approved the initiation of the Merger and have authorized the administrators of Banca Carpatica and Patria Bank, respectively, to adopt and implement all Merger actions necessary, including in view of drawing up this Merger Project.

### **2.1 Companies' administration**

Banca Carpatica is a single-tier company administered by the Management Board, and Patria Bank is a single-tier company administered by the Management Board.

**2.1.1** At the date of these Draft Terms of Merger, the members of Banca Carpatica Management Board are:

- Horia-Dragoş Manda – President of the Management Board;
- Daniela Elena Iliescu – member of the Management Board;
- Bogdan Merfea – member of the Management Board.

**2.1.2** At the date of these Draft Terms of Merger, the members of Patria Bank Management Board are:

- Horia-Dragoş Manda – President of the Management Board;
- Daniela Elena Iliescu – member of the Management Board;
- Nicolae Surdu – member of the Management Board.

The constituency of the Management Board of Banca Carpatica or Patria Bank may be subject to changes in the period comprised between the date of this Merger Project and the Implementation Date.

## **2.2 Approval of the Merger Project**

The Merger Project has been approved by the Management Board of Banca Carpatica by decision no. 277 of 12.08.2016, and by the Management Board of Patria Bank by decision no. 149 of 12.08.2016, prior to being filed with ONRC and publicized in accordance with the applicable legal provisions.

## **3. Legal status, name and registered office of the Companies (Article 241 letter a) of the Companies Law)**

### **Banca Carpatica**

BANCA COMERCIALĂ CARPATICA S.A. is a single-tier stock company established and operating in compliance with the laws of Romania, licensed by BNR as credit institution, registered in the Register of Credit Institutions under number RB-PJR-32-045, having the running number in the Trade Register J40/9252/2016, sole registration code 11447021 and having a share capital subscribed and paid-up in full in amount of RON 220,274,282.20, divided into 2,202,742,822 shares with a nominal value of RON 0.1000.

Banca Carpatica shares are allowed to trading on the spot regulated market administered by Bursa de Valori Bucureşti S.A. (Bucharest Stock Exchange), having the trading symbol "BCC".

### **Patria Bank**

PATRIA BANK S.A. a single-tier stock company established and operating in compliance with the laws of Romania, licensed by BNR as credit institution, registered in the Register of Credit Institutions under number RB-PJR-26-020, having the running number in the Trade Register J23/2563/2016, sole registration code 4786360, and having, as at the date of the Draft Terms of Merger, a share capital subscribed and paid-up in full in amount of RON 194,529,507.4, divided into 972,647,537 shares with nominal value of RON 0.2.

#### **4. Rationale and conditions for the Merger (Article 241 letter b) of the Companies Law)**

##### **4.1 Rationale for the Merger**

At the Date of the Merger Project , Patria Bank holds 64.1627% of the share capital of Banca Carpatica and 78.7447% of the voting rights granted by the shares issued by Banca Carpatica. Thus, the Merger premise resides both in the need to adapt to the current, continuously changing economic environment, and in the need to turn to a consolidated structure, in view of developing a competitive market position, by offering more attractive products to customers. For this purpose, Banca Carpatica shall continue the activity that Patria Bank has been carrying out until Implementation Date, integrating it in its own operations.

Likewise, the Merger is under laid also by economic and commercial strategy rationale such as: improving the efficiency of the managerial decision-making, reducing administrative costs, establishing more efficient marketing policy, increasing efficiency in resource allocation, creating a solid and consolidated structure by expanding the portfolio of products and services of the two banks and offering a complete array of financial services to customers, given the complementarity of the products offered by Banca Carpatica and Patria Bank, creating a synergy effect between Banca Carpatica and Patria Bank by rendering efficient the monitoring and reporting procedures.

Achieving the Merger of Banca Carpatica and Patria Bank is beneficial to both banks; it identifies a series of synergies between the two banks, which should lead to a powerful local bank, with improved capital base and optimized network of units with efficient banking operations.

|            | <b>Banca Carpatica</b>  | <b>Patria Bank</b>  |
|------------|---|---|
| Advantages | <ul style="list-style-type: none"><li>• Increased liquidity base</li><li>• Stable customer deposit base</li><li>• Extended network across country</li></ul> | <ul style="list-style-type: none"><li>• Solid capital base</li><li>• Efficient sales force</li><li>• Highly efficient loan portfolio and competitive crediting products</li></ul> |

As regards the strategic business objectives, in the first 3-5 years after the implementation of the merger, Banca Carpatica shall approach the following directions in developing banking activity:

- Organic growth and continuing the strategic projects envisaging distribution of banking products through partners and developing business lines for small and medium-sized enterprises and for micro-enterprises;
- Growth by mergers and acquisitions, considering that the market is expected to witness sales by some investors of the participation they held in other banks with local operations, in line with increased competition and more stringent regulatory requirements over the following years.

##### **4.2 Merger conditions**

###### **4.2.1 Shareholding structure of the Companies**

As at the date of the Merger Project , Banca Carpatica has the following synthetic shareholding structure:

| Shareholders                                       | No. of shares        | Nominal Value (RON/share) | Share Capital Subscribed and Paid-up | Shareholding Interest |
|--|----------------------|---------------------------|--------------------------------------|-----------------------|
| PATRIA BANK S.A.                                   | 1,413,339,016        | 0.1                       | 141,333,901.60                       | 64.1627%              |
| CARABULEA ILIE                                     | 406,669,498          | 0.1                       | 40,666,949.80                        | 18.4620%              |
| Other shareholders, legal entities and individuals | 382,734,308          | 0.1                       | 38,273,430.80                        | 17.3753%              |
| <b>Total</b>                                       | <b>2,202,742,822</b> | <b>0.1</b>                | <b>220,274,282.20</b>                | <b>100%</b>           |

Until Implementation Date, the number of shareholders and their interest in the share capital of Banca Carpatica may suffer changes, consistent with the transactions carried out in accordance with the provisions of the Articles of Association of Banca Carpatica and the provisions of the law applicable to capital market.

As at the date of the Merger Project, Patria Bank has the following synthetic shareholding structure:

| Shareholders                       | No. of shares      | Nominal Value (RON/share) | Share Capital Subscribed and Paid-up | Shareholding Interest |
|------------------------------------|--------------------|---------------------------|--------------------------------------|-----------------------|
| ECAF FINANCIAL SERVICES B.V.       | 960,205,470        | 0.2                       | 192,041,094 RON                      | 98.7208%              |
| Other shareholders, individuals    | 9,596,407          | 0.2                       | 1,919,281.4 RON                      | 0.9866%               |
| Other shareholders, legal entities | 2,845,660          | 0.2                       | 569,132 RON                          | 0.2926%               |
| <b>Total</b>                       | <b>972,647,537</b> | <b>0.2</b>                | <b>194,529,507.4</b>                 | <b>100%</b>           |

Until Implementation Date, the number of shareholders and their interest in the share capital of Patria Bank may suffer changes, consistent with the transactions carried out in accordance with the provisions of the Articles of Association of Patria Bank and the provisions of the law applicable to capital market.

#### 4.2.2 Type of Merger

Patria Bank, in capacity of Absorbed Company, shall be absorbed by Banca Carpatica, in capacity of Absorbing Company, and Banca Carpatica shall take over all rights and obligations underlying the corporate assets of Patria Bank on Implementation Date, by means of universal succession. Likewise, from bookkeeping point of view, all assets and liabilities of Patria Bank shall be transferred to Banca Carpatica on Implementation Date, based on the delivery protocol entered into between the Companies.

Considering that the Companies are credit institutions, the Merger shall be subject to prior approval by BNR, after filing a merger recording application with ONRC. Likewise, the legal proceedings for withdrawing the license of Patria Bank as a consequence of the Merger shall be carried out.

### **4.2.3 Applicable Law**

The Merger Project is drawn up in compliance with the applicable legal provisions, among which we mention:

- Companies Law;
- Emergency Government Ordinance no. 99/2006 on credit institutions and capital adequacy;
- Law 297/2004 on capital market;
- BNR Regulation no. 5/2000 on merger and spin-offs of banks;
- Accounting Law no. 82/1991;
- Order no. 897/2015 of the Minister of Public Finance approving the Methodological Norms for booking the main operations related to the merger, spin-off, dissolution and liquidation of companies, as well as the withdrawal or exclusion of certain partners from companies;
- Order no. 2861/2009 of the Minister of Public Finance approving the Norms for the organization and inventory of assets, liabilities and equity.
- Order 27/2010 of the President of the Board of Directors of BNR approving the accounting regulations compliant with the International Financial Reporting Standards, applicable to credit institutions, as subsequently amended and supplemented.

### **4.2.4 Effects of the Merger**

Pursuant to the Merger Project, Patria Bank shall merge with Banca Carpatica, and the corporate assets of Patria Bank (respectively all assets and liabilities, rights and obligations) shall be entirely transferred to Banca Carpatica by universal succession, in the conditions they are at Implementation Date, subject to BNR's approval of the Merger.

Following the approval of the Merger by BNR and registration of the Merger with ONRC, Patria Bank shall be dissolved without liquidation, in accordance with article 238 paragraph 1 letter a) of the Companies Law.

Starting from the Implementation Date, all individual employment contracts of Patria Bank shall be transferred to Banca Carpatica, and all substantive and procedural rights and obligations deriving from disputes in which Patria Bank is involved shall be taken over by Banca Carpatica.

As effect of the Merger, all places of business/agencies/secondary offices of Patria Bank shall be transferred to Banca Carpatica, as well as all banking contracts entered into by Patria Bank in the course of its business (loan agreements, deposits, etc.), including the portfolio of customers.

Likewise, all estates owned by Patria Bank shall be transferred to Banca Carpatica as effect of the Merger, based on a delivery and acceptance protocol.

## **5. Merger Financial Statements and Implementation Date (Article 241 letters i) and j) of the Companies Law)**

### **5.1 Date of the Merger Financial Statements**

The assets and liabilities of the companies merging by absorption, Banca Carpatica and Patria Bank respectively, have been determined based on the Merger Financial Statements.

The Merger Financial Statements have been subject to financial audit.



The assets and liabilities of Banca Carpatica at Reference Date are the following:

|                             | thousands lei  |
|-----------------------------|----------------|
| Total assets                | 2,899,091      |
| Total liabilities           | 2,725,503      |
| <b>Net book asset value</b> | <b>173,588</b> |

The assets and liabilities of Patria Bank at Reference Date are the following:

|                             | thousands lei  |
|-----------------------------|----------------|
| Total assets                | 1.166.249      |
| Total liabilities           | 927.745        |
| <b>Net book asset value</b> | <b>238.504</b> |

The Merger Financial Statements of Banca Carpatica and Patria Bank, and the pro-forma balance sheet of Banca Carpatica following the Merger are presented in Annexes 1 to 3 to this Merger Project.

The statutory auditors of the two Companies are:

- For Banca Carpatica - DELOITTE AUDIT S.R.L. ("Deloitte"), with registered office in Bucharest, 4-8 Nicolae Titulescu St., Sector 1, registered with the Trade Register under no. J40/6775/1995, Tax Code RO7756924
- For Patria Bank - Pricewaterhouse Coopers Audit SRL ("PwC"), with registered office in Bucharest, 301-311 Barbu Văcărescu St., LakeView Building, floors 6/1, Sector 2, registered with the Trade Register under no. J40/17223/1993, Tax Code RO4282940.

## 5.2 Implementation Date

In compliance with the provisions of the Companies Law, article 249 letter b), the Management Board of Banca Carpatica, respectively the Management Board of Patria Bank have decided that the Implementation Date, respectively the date when the Merger becomes effective, shall be the first day of the calendar month immediately following the calendar month when all necessary approvals have been obtained and necessary procedures completed, respectively the date when prior approval of BNR is obtained and the court order issued by a qualified court, approving the Merger and ordering the registration of its effects with ONRC is drawn-up.

From legal and accounting point of view, Patria Bank's transactions, and any other assets and liabilities, rights and obligations pertaining to Patria Bank, shall be deemed to pertain to Banca Carpatica (which shall become, *de jure*, party in the relevant transactions) as from Implementation Date.

## 6. Right to withdraw

In accordance with the provisions of Article 134 of the Companies Law, Banca Carpatica and Patria Bank shall allow their respective shareholders who did not vote for the Merger, at their request and in conditions established by each Company, the right to withdraw from Banca Carpatica or Patria Bank, as the case may be, and request acquisition of their shares by the

Company. The right to withdraw may be exercised within 30 days as from the date when the resolutions of the extraordinary general shareholders meetings of the Companies irrevocably approving the Merger are adopted.

The procedure whereby the entitled shareholders may withdraw from Banca Carpatica or Patria Bank, respectively, shall be drawn up by the management boards of the Companies.

The price that each Company pays for the shares of that who exercises the right to withdraw shall be established by a licensed independent expert, as mean value resulted after applying at least two valuation methods recognized by the law valid on valuation date. The expert shall be appointed by the delegated judge, in compliance with the Companies Law, at request of the management board of Banca Carpatica or Patria Bank, respectively.

The exercise of the right to withdraw by Banca Carpatica, respectively Patria Bank's shareholders, entails an acquisition of equity after being redeemed.

Both Banca Carpatica and Patria Bank are credit institutions, and their operations are regulated and supervised by the National Bank of Romania; pursuant to Article 15<sup>1b</sup> of BNR Regulation 6/2008, the acquisition of own shares leading to return of capital to shareholders, carried out at initiative of the issuing bank, is subject to prior approval by BNR. The legal framework applicable to these types of operations is supplemented by the provisions of Article 78 of EU Regulation 575/2013 and Article 126<sup>2</sup> of Emergency Ordinance 99/2006 on credit institutions.

#### **7. Allocation of shares to Banca Carpatica, date when shares give rights to their holders, exchange ratio (Article 241 letter c), d), e) of the Companies Law)**

For the purpose of calculating the exchange ratio for the shares issued by the two Companies, the global evaluation method was used (in accordance with Order 897/2015 of the Minister of Public Finance), which rules that the values to be used in reorganizing operations are established by licensed valuers and comprised in a valuation report drawn-up for this purpose. The global values resulted after applying the global evaluation method shall be referred to, in the following, as "market value" or "fair value". The market values of each Company's equity as at the Reference Date of the Merger, 31<sup>st</sup> of May 2016, have been established based on valuation reports issued by an independent valuator selected by the management of the two companies: ERNST & YOUNG Service SRL, with registered office at 15-17 Ion Mihalache Avenue, 22<sup>nd</sup> floor, sector 1, Bucharest, registration number in the Trade Register J40/15410/2003, CUI 15906526, ANEVAR corporate license number 0328 of 01.01.2016.

ERNST & YOUNG Service SRL based its conclusions regarding the market value of Banca Carpatica, respectively Patria Bank's equity, mainly on the net asset approach, and the market approach was applied to test the reasonability of the value obtained with the net asset approach.

According to Banca Carpatica and Patria Bank valuation reports, the market value at 31<sup>st</sup> of May 2016 is as follows:

- the market value for 100% of Banca Comercială Carpatica's equity is 194,304,000 RON,
- the market value for 100% of Patria Bank's equity is 262,248,000 RON.

Therefore, the market value, per share, for the shares issued by the two Companies, determined by referring the market value to the number of shares issued by each of the two Companies, is as it follows:

i) Unit market value of shares issued by Banca Carpatica

➤ Banca Carpatica – 194,304,000 RON/2,202,742,822 shares = 0.0882 RON/share

As at Reference Date, the number of shares of Banca Carpatica subscribed and paid-up in full was 2,202,742,822 shares. No changes occurred in the number of shares and value of Banca Carpatica' share capital between Reference Date and Date of the Draft Terms of Merger.

ii) Unit market value of shares issued by Patria Bank

➤ Patria Bank – 262,248,000 RON/972,647,537 shares = 0.2696 RON/share

As at Reference Date, the number of shares of Patria Bank subscribed and paid-up in full was 972,647,537 shares. At the Date of the Draft Terms of Merger, the number of shares of Patria Bank subscribed and paid-up in full was 972,647,537 shares.

At Reference Date (respectively 31.05.2016) Patria Bank was undergoing an increase of its share capital, which was completed, as regards the procedure of registration with ONRC, after the date 31.05.2016, and before the Date of the Draft Terms of Merger. The increase of Patria Bank's share capital, in total amount of RON 36,576,03.00, representing the equivalent of 182,880,180 newly issued shares, has been subscribed and paid-up in full by the Reference Date, 31.05.2016, and has been fully included in the audited Pre-Merger Financial Statements of Patria Bank SA and also fully considered in the calculation from the valuation report drawn up in view of the Merger, for the purpose of establishing the market value of Patria Bank.

Therefore, when establishing the unit market value of Patria Bank's shares, the number of shares issued by Patria Bank taken into consideration was 972,647,537 shares.

The market value of the shares issued by the two Companies is expressed with four decimals; however, calculations made for determining various value items included in the Draft Terms of Merger have been performed using a larger number of decimals.

## 7.1 Share exchange ratio

The exchange ratio of Patria Bank's shares for Banca Carpatica's shares is determined by referring the market value of one Patria Bank share to the market value of one Banca Carpatica share:

➤ Exchange ratio: 0.2696 RON / 0.0882 RON = 3.0566

Therefore, one share in Patria Bank shall be exchanged for 3.0566 shares in Banca Carpatica. Shares shall be allocated to Patria Bank's shareholders without any additional cash payments.

## 7.2 Number of shares to be issued by the Absorbing Company

Banca Carpatica shall issue new shares, which shall be allocated to Patria Bank's shareholders in exchange for Patria Bank shares. Banca Carpatica shall issue a number of 2,972,995,407 shares, each having a nominal value of 0.1 lei/share.

The number of shares to be issued by Banca Carpatica as effect of the Merger was determined by multiplying the number of shares issued by Patria Bank as at the Date of the Merger Project by the exchange ratio; the figure resulted from this mathematic calculation was subject to a rounding algorithm. To be noted that an exchange ratio made of 14 decimals was used for the purposes of the calculation made for determining the number of new shares to be issued and allocated to Patria Bank shareholders in exchange for Patria Bank shares.

In case the number of shares newly issued by Banca Carpatica, to be allocated to each shareholder of Patria Bank in accordance with the mathematical calculation, is not a natural number, a rounding algorithm shall be used to determine the allocation of natural number of shares to each shareholder.

### **7.3 Increase of Absorbing Company's share capital**

The share capital of Banca Carpatica is increased, as effect of the Merger, by issuing a number of 2,972,995,407 new nominative, ordinary shares, each having a nominal value of 0.1 RON/share, and these new shares shall be allocated to Patria Bank's shareholders. Therefore, Banca Carpatica shall register a capital increase in amount of 297,299,540.70 (2,972,995,407 new shares X 0.1 RON nominal value). In accordance with Article 250 of the Companies Law, the shares that Patria Bank (Company being acquired) owns in Banca Carpatica (Acquiring Company) shall not be exchanged for shares issued by Banca Carpatica; therefore, a total number of 1,413,339,016 shares issued by Banca Carpatica and owned by Patria Bank at the Date of the Merger Project shall be cancelled. Consequently, the share capital of Banca Carpatica after the Merger is implemented shall be of RON 376,239,921.3, represented by 3,762,399,213 shares, each having a nominal value of 0.1 RON/share.

The date when the shares issued by Banca Carpatica as effect of the merger give rights to their holders is the date when the new shares are registered in the Register of Banca Carpatica Shareholders, kept by Depozitarul Central S.A., respectively a date subsequent to the Implementation Date, when registration procedures with ONRC, ASF-SIIF and Depozitarul Central S.A. have been completed.

### **8. Merger Merger (Article 241 letter f) of Companies Law)**

The merger premium is determined as difference between the net asset of the Company being absorbed and the value of the share capital increase of the Absorbing Company.

Merger premium = RON 238,503,683.00 – RON 297,299,540.70 = RON -58,795,857.70  
NEGATIVE VALUE.

### **9. Shareholding structure of Banca Carpatica as effect of the merger**

The shareholding structure of Banca Carpatica as effect of the Merger is the following:

| Shareholders                 | No. of shares | Share capital subscribed and paid-up | Shareholding interest |
|------------------------------|---------------|--------------------------------------|-----------------------|
| EEAF Financial Services B.V. | 2,934,964,973 | 293,496,497.30                       | 78.0078%              |

|  |                      |                       |                  |
|--|----------------------|-----------------------|------------------|
| Carabulea Ilie                                     | 406,669,498          | 40,666,949.80         | 10.8088%         |
| Other shareholders, legal entities and individuals | 420,764,742          | 42,076,474.20         | 11.1834%         |
| <b>Total</b>                                       | <b>3,762,399,213</b> | <b>376,239,921.30</b> | <b>100.0000%</b> |

The projection regarding Banca Carpatica's shareholding structure, presented in the table above, is build on the assumption that no changes will arise in the shareholding structure of the Companies between the Date of the Draft Terms of Merger and the Implementation Date. In case such changes arise in the shareholding structure of the Companies, the projection in the table above shall be amended accordingly.

**10. Rights granted to shareholders, which give special rights to those holding securities, other than shares (article 241 letter g) of the Companies Law)**

Neither Company has issued (a) shares granting special rights to their holders, or (b) any type of securities, other than shares. Therefore, no rights or special benefits associated with the previously mentioned types of financial instruments shall be granted.

**11. Special benefits to experts, members of the administrative or control bodies (article 241 letter h) of the Companies Law)**

The Companies do not give any special benefits to the experts involved in the Merger or to the members of the administrative or control bodies of the Companies.

**12. Additional information concerning the Merger**

**12.1 Extraordinary General Shareholders Meeting**

The shareholders of Banca Carpatica have approved, in principle, the Merger, by resolution of the extraordinary general shareholders' meeting of Banca Carpatica of 2<sup>nd</sup> of April 2016, and the shareholders of Patria Bank have approved, in principle, the Merger, by resolution of the extraordinary general shareholders' meeting of Patria Bank of 2 April 2016.

**12.2 BNR and ASF – SIIF approvals**

In accordance with the applicable banking law, the Merger is subject to prior approval by BNR, which shall be requested by Banca Carpatica after filing the merger registration application with ONRC.

The increase of Banca Carpatica's share capital and the associated documentation shall be submitted to ASF – SIIF for approval.

**12.3 Representations according to Article 247 of the Companies Law**

The Merger shall not attract increased obligations for shareholders or obligations deriving from holding shares issued by Banca Carpatica and/or Patria Bank.

**12.4 Miscellaneous**

The Absorbing Company shall have the same registered office, respectively Romania, 31 Brezoianu Ion, Actor St., floors 1, 2 and attic, Sector 2, Bucharest. The implementation of the Merger shall not cause any change in Banca Carpatica's business object. The name of the

Absorbing Company is intended to be changed from Banca Carpatica to Patria Bank, and the name change shall be subject to shareholders' approval, in an extraordinary general meeting containing the approval of the Merger and its effects on the agenda.

The Merger Project is governed by the Romanian law and were signed this 11.08.2016 in 9 (nine) copies, 2 (two) for Banca Carpatica, 2 (two) for Patria Bank, 1 (one) for ASF – SIIF, 1 (one) for BNR and 3 (three) for ONRC.

### **13. List of Annexes**

The Annexes are integral part of the Merger Project and benefit of the same legal force.

Annex 1 – Merger Financial Statements of Banca Carpatica as at 31<sup>st</sup> of May 2016

Annex 2 – Merger Financial Statements of Patria Bank as at 31<sup>st</sup> of May 2016

Annex 3 – Pro-forma Balance Sheet of Banca Carpatica at Implementation Date

Annex 4 – Representations of the Company being absorbed regarding the manner of extinguishing liabilities following the Merger

Annex 5 – Representations regarding the exercise of the option to publicize the Merger Project drawn up by the Companies by means of the Internet pages.

**Banca Comercială Carpatica S.A.**

**Patria Bank S.A.**

**Daniela Elena Iiescu**  
**Member of the Management Board**

**Daniela Elena Iiescu**  
**Member of the Management Board**

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**Bogdan Merfea**  
**Member of the Management Board**

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**Nicolae Surdu**  
**Member of the Management Board**

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