

CURRENT REPORT

Pursuant to Regulation no. 5/2018 on issuers of financial instruments and market operations, issued by the Financial Supervisory Authority

Report date:	22.01.2020
Name of the issuing entity:	Sphera Franchise Group SA
Statutory seat:	Bucharest, Romania
Visiting address:	Bucharest, 239 Dorobanti Ave., 2nd Floor, 1st District, Romania
Phone no/Fax no:	0040 21 201 1757 / 0040 21 201 1759
Sole Registration Code:	RO 37586457
Order number with the Trade Registry:	J40/7126/2017
Subscribed and paid-in share capital:	RON 581,990,000
Number of shares in issue:	38,799,340
Number of listed shares:	9,831,753
Regulated market on which the issued securities are traded:	Bucharest Stock Exchange, Main Segment, Category Premium (Shares)
Symbol:	SFG

SIGNIFICANT EVENTS TO REPORT

Convening of the Ordinary General Meeting of Shareholders of Sphera Franchise Group S.A. for March 02nd, 2020

In compliance with Sphera Franchise Group S.A.'s Articles of Association, Companies' Law no. 31/1990, Law no. 24/2017 on issuers of financial instruments and market operations and FSA Regulation no. 5/2018, Sphera Franchise Group S.A. herewith convenes the company's shareholders at the Ordinary General Meeting of Shareholders (OGSM) on March, 02nd 2020 (the convening notice for OGSM is attached hereto).

The supporting materials for the items on the OGSM's agenda will be available to the shareholders starting with January 27th, 2020, in electronic format on the website of the company (www.spheragroup.com) and in hardcopy at the registry desk of the company's headquarters.

The convening notice of the OGSM was approved by the Board of Directors on January 21st, 2020.

The OGSM convening notice will be published in the Romanian Official Gazette - Part IV and in one national newspaper.

Appendix: Convening notice of OGSM on March 02nd, 2020.

Georgios ARGENTOPOULOS
Chairman of the Board of Directors and Chief Executive Officer

Contact details:

Investor Relations
E-mail: investor.relations@spheragroup.com

CONVENING NOTICE

The Board of Directors of Sphera Franchise Group S.A., a joint stock company managed under a one-tier system, operating in accordance with Romanian law, having its registered office in Romania, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, registered with the Trade Registry of Bucharest Court under number J40/7126/2017, fiscal identification code 37586457 (referred to as the "**Company**"), in accordance with the provisions of article 117 of Companies Law 31/1990, as republished ("**Law 31/1990**"), Law 24/2017 regarding issuers of securities and market operations ("**Law 24/2017**"), FSA's regulations and with article 10 of the Company's articles of association,

CONVENES

THE ORDINARY GENERAL SHAREHOLDERS MEETING ("OGSM")

On March, 02nd 2020, 10 hrs. (Romanian time), at Company's headquarters located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor - Ateneu Room, 1st District, for all the shareholders registered in the shareholders' registry kept by the Central Depository at the end of February, 19th 2020 set as the **reference date** for the OGSM,

HAVING THE FOLLOWING AGENDA:

1. Approval of the remainder of the undistributed net profit related to 2018 financial year, respectively of the amount of Lei 13,679,102.83.
2. Approval of the payment date for dividend distribution: March 31st, 2020 (the "**Payment date**").
3. Approval of the date of March 19th, 2020 as the *record date* (the "**Record date**") and of the *Ex-date* March 18th, 2020 (the "**Ex-date**") for the identification of the shareholders who will benefit from the results of the OGSM and to whom the effects of the OGSM Decisions are applicable.
4. Empower the Chairman of the Board of Directors to sign in the name and on behalf of the Company to submit any documents and to give any statements necessary for the implementation of the OGSM resolutions or for the registration/filing of the OGSM resolutions with the Trade Registry, and to carry out any other formalities, such as publication, including payment of any fees, to request and receive any documents/deeds issued by the Trade Registry and/or any other competent authority, and grant him the right to delegate to another person the power to carry out the above mentioned formalities.

Only the persons who are registered as shareholders as of the reference date of February 19th, 2020 (the "**Reference Date**") in the Company's shareholders' registry kept by the Central Depository have the right to participate and vote in the OGSM.

Shareholders' proposals regarding the general shareholders meeting

One or more shareholders representing, individually or collectively, at least 5% of the Company's share capital (hereinafter referred to as "**Initiators**") are entitled to:

- a) add items on the agenda of the OGSM provided that each item is accompanied by a justification or a draft resolution proposed for adoption by the OGSM and

- b) submit draft decisions for the items included or proposed to be included on the agenda of the OGSM.

Initiators' requests for adding new items on the agenda, as well as the draft decisions for the items included or proposed to be included on the agenda of the OGSM, together with the copy of the Initiator's valid identity card, may be submitted as follows:

- a) submitted at the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by the date of February, 07th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**";
- b) sent to the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by any form of courier with acknowledgment of receipt, so that it is registered as received at the Company's registry by the date of February, 07th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**";
- c) sent by e-mail having extended electronic signature attached, incorporated according to Law no. 455/2001 regarding electronic signature, by the date of February, 17th 2020, 17 hours (Romanian time), at AGA@spheragroup.com, with the subject "**FOR THE GENERAL SHAREHOLDERS MEETING OF 02nd MARCH 2020**".

Questions about the general shareholders meeting

The Company's shareholders, regardless of their participation to the share capital, may submit written questions regarding the items on the agenda of the OGSM, accompanied by the copy of the shareholder's valid identity document, as follows:

- a) submitted at the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by the date of February, 27th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF 02nd MARCH 2020**";
- b) sent to the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by any form of courier with acknowledgment of receipt, so that it is registered as received at the Company's registry by the date of February, 27th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF 02nd MARCH 2020**";
- c) sent by e-mail having extended electronic signature attached, incorporated according to Law no. 455/2001 regarding electronic signature, by the date of February, 27th 2020, 17 hours (Romanian time), at AGA@spheragroup.com, with the subject "**FOR THE GENERAL SHAREHOLDERS MEETING OF 02nd MARCH 2020**".

Participation in the general shareholders meeting

The access of the shareholders registered in the shareholders' registry as of the Reference Date and entitled to participate in the OGSM is permitted by simple proof of their identity, made (i) in the case of individual shareholders, with their identity document or, (ii) in case of legal persons shareholders,

with the identity document of the legal representative, and **(iii)** in case of represented legal persons and individual shareholders, with the power of attorney given to the person representing them, in accordance with the applicable legal provisions.

Shareholders registered as of the Reference Date in the Company's shareholders' registry kept by the Central Depository may participate in person or by representation in the OGSM, each shareholder having the right to appoint any other individual or legal person as representative to participate and vote on his behalf in the OGSM, subject to the provisions of art. 92 of Law no. 24/2017.

A shareholder may appoint one person to represent him in the OGSM. However, if a shareholder owns shares in the Company in multiple securities accounts, this restriction shall not prevent him from appointing a separate representative for the shares held in each securities account in respect of a particular general meeting. However, the shareholder is prohibited from expressing different votes on the basis of the shares held by him in the Company's share capital.

In the case of participation by representation, the shareholder shall appoint a representative by a special power of attorney in the form provided to the shareholders by the Company, both in Romanian and in English language, or by a general power of attorney granted according to the terms described below.

A shareholder may appoint by power of attorney one or more substitute representatives who can assure his representation in the OGSM in case the main representative appointed cannot fulfil his mandate. In case more substitute representatives are appointed by the power of attorney, the order in which they will exercise their mandate must be specified.

In case a shareholder is represented by a credit institution which performs custody services, the latter may vote in the OGSM based on the voting instructions received by electronic communication means, without the shareholder having to issue a special or general power of attorney. The custodian shall vote in the OGSM exclusively in accordance and within the limits of the instructions received from its clients who are shareholders as of the Reference Date.

In the event that certain items which were not on the published agenda are discussed in the OGSM, in accordance with legal provisions, the representative may vote on them in accordance with the interest of the shareholder it represents.

Special power of attorney

The special power of attorney is valid exclusively for the OGSM it was requested for. The special power of attorney may be granted only by using the special power of attorney form provided to the shareholders by the Company in accordance with section *Other provisions regarding the general shareholders meeting* below.

The representative has the obligation to vote in accordance with the instructions of the shareholder who appointed him. The special powers of attorney must contain specific voting instructions for each item on the agenda of the OGSM.

In case of the special power of attorney, an original copy, filled in English or Romanian language and signed by the shareholder, accompanied by a copy of the identity document of the shareholder and the representative, shall be submitted to the Company as follows:

- a) submitted at the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by the date February, 27th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters **"FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020 "**;

- b) sent to the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by any form of courier with acknowledgment of receipt, so that it is registered as received at the Company's registry by the date of, February, 27th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**";
- c) sent by e-mail having extended electronic signature attached, incorporated according to Law no. 455/2001 regarding electronic signature, by the date of February, 27th 2020, 17 hours (Romanian time), at AGA@spheragroup.com, with the subject "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**".

In all cases, upon registration, the representative shall submit to the persons organising the OGSM an original copy of the special power of attorney.

General power of attorney

The general power of attorney shall be valid only if: **(i)** it is granted for a period not exceeding 3 years, **(ii)** it expressly enables the representative of the shareholder granting such power of attorney to vote on all issues under debate in the general meetings of the Company's shareholders, including acts of disposal and **(iii)** it is given by the shareholder, acting in capacity of customer, to an intermediary, as defined by art. 2 par. (1) item 20 of Law 24/2017 or to a lawyer. The Company's shareholders may not be represented in the OGSM based on a general power of attorney given to a person who is subject to a conflict of interest that may arise in particular in one of the following cases:

- a) is a majority shareholder of the Company or is another entity controlled by such shareholder;
- b) is a member of an administrative, management or supervisory body of the Company, of a majority shareholder or of a controlled entity, as provided under a) above;
- c) is an employee or an auditor of the Company or of a majority shareholder or of a controlled entity, as provided in under a) above;
- d) is a spouse or relative up to the fourth degree inclusively of one of the individuals referred to under a) - c) above.

The general power of attorney shall contain at least the following information: **1.** name of the shareholder; **2.** name of the representative (to whom the power of attorney is granted); **3.** date of the power of attorney and its period of validity, in compliance with legal provisions; the powers of attorney bearing a later date have the effect of revoking previously dated powers of attorney; **4.** statement of the fact that the shareholder empowers the representative to attend and vote on his behalf by general power of attorney in the general shareholders meeting for the entire holding of the shareholder as of the reference date, expressly specifying the company/companies for which the general power of attorney is to be used.

The validity of general power of attorney ceases in accordance with par. 2 of art. 202 of R 5/2018.

Before its first use, a copy of the general power of attorney signed by the shareholder and complying with the minimum content provided by R5/2018, certified under signature by the representative as true copy of the original and accompanied by a copy of the shareholder's identity document and an affidavit given by the intermediary or lawyer as below, shall be submitted to the Company as follows:

- a) submitted at the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by the date of February, 27th 2020, 17 hours (Romanian time), in a

sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**";

- b) sent to the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by any form of courier with acknowledgment of receipt, so that it is registered as received at the Company's registry by the date February, 27th 2020, 17 hours (Romanian time), in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**";
- c) sent by e-mail having extended electronic signature attached, incorporated according to Law no. 455/2001 regarding electronic signature, by the date of February, 27th 2020, 17 hours (Romanian time) at AGA@spheragroup.com, with the subject "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**"

The affidavit given by the legal representative of the intermediary or by the lawyer who received the general power of attorney, shall specify the following:

- a) the power of attorney is granted by such shareholder, having the capacity of customer, to the intermediary or, as the case may be, to the lawyer;
- b) the general power of attorney is signed by the shareholder, including by attaching an extended electronic signature, if necessary.

The affidavit must be submitted in original, signed and, where appropriate, sealed, without any other further formalities related to its form being necessary. The affidavit shall be submitted to the Company together with the general power of attorney, in the terms and conditions set out above.

Copies of the general powers of attorney certified under signature by the representative as true copies of the original shall be kept by the Company, this being mentioned in the minutes of the OGSM.

Other provisions related to representation

Shareholders may appoint and revoke their representative by electronic means of data transmission, the revocation being effective and binding for the Company if it is received by the Company until deadline for submitting/sending powers of attorney.

The empowered person cannot be replaced by another person, except for the case where this right has been specifically granted by the shareholder in the power of attorney. In case the empowered person is a legal person, it can exercise the mandate granted through any person who is part of its administration or management body or of its employees.

Voting by correspondence

The Company's shareholders registered as of the Reference Date in the registry of the Company's shareholders kept by the Central Depository may vote by correspondence using the ballot forms for voting by correspondence made available to shareholders by the Company, both in Romanian and in English language.

The vote by correspondence may be cast by a conventional representative of the shareholder only if he receives from the shareholder whom he represents a special/general power of attorney to be submitted to the Company in accordance with article 92 of Law no. 24/2017. If the person representing the shareholder by personally attending the OGSM is another person than the one who expressed the vote by correspondence, then, for the validity of his vote, that person shall submit to the secretary of the

OGSM/ a written revocation of the vote by correspondence signed by the shareholder or by the representative who expressed the vote by correspondence. This requirement is not applicable if the shareholder or his legal representative is personally present at the OGSM

In case of voting by correspondence, the ballot forms, filled in English or Romanian language and signed, accompanied by a copy of the identity document of the shareholder and the representative, may be submitted as follows:

- a) submitted at the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, in a sealed envelope, with a clear written statement and in capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**" by the date of February, 27th 2020, 17 hours (Romanian time);
- b) sent to the Company's registry located in Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district, by any form of courier with acknowledgment of receipt, so that it is registered as received at the Company's registry by the date of February, 27th 2020, (Romanian time), in a sealed envelope, with a clear written statement and with capital letters "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**";
- c) sent by e-mail having extended electronic signature attached, incorporated according to Law no. 455/2001 regarding electronic signature, at AGA@spheragroup.com, with the subject "**FOR THE GENERAL SHAREHOLDERS MEETING OF MARCH, 02nd 2020**" by the date of February, 27th 2020 (Romanian time).

Other provisions regarding the general shareholders meeting

In case of shareholders who are legal persons or entities without legal status, the capacity of legal representative is established based on the list of shareholders valid as of the Reference Date, received from the Central Depository. Documents certifying the capacity of legal representative drafted in a foreign language other than English language shall be accompanied by a translation made by a sworn translator into Romanian or English language, without the legalization or apostille of these documents being necessary.

In all the cases described above, when a reference is made to:

- a) **the identity documents** of a person, the following documents are considered: (i) in case of individuals – identity card/passport, and (ii) in case of legal persons – identity card/passport of the legal representative registered in the list of Company's shareholders issued by the Central Depository;
- b) **the shareholder's representative registered in the list of shareholders issued by the Central Depository**, if that respective representative is not registered as such in the records of the Central Depository, for identifying the representative of the shareholder legal person, a certificate of status issued by the Trade Registry shall be submitted, or any other equivalent document, in original or true copy of the original, issued by a competent authority of the state in which the shareholder is legally registered, certifying the quality of legal representative, which shall not be older than 3 months before the publication date of the convening notice for the OGSM

Failure to send the general or special powers of attorney/ballot by correspondence forms until the due date is sanctioned with the loss of the right to vote by representative/correspondence within the OGSM. The special powers of attorney/ballot by correspondence forms which do not contain at least the information contained in the form provided by the Company are not binding to the Company and the

general powers of attorney that do not contain the minimum information required by the legal provisions are also not binding to the Company.

If, on MARCH, 02nd 2020 (date of the first convening of the OGSM), the legal and statutory validity requirements for holding the OGSM are not met, the respective OGSM is convened on MARCH, 03rd 2020 in the same location, at the same time, and having the same agenda.

The documents and informative materials concerning the points included on the agenda of the OGSM, this convening notice, the draft resolutions, the total number of shares and the voting rights at the date of the convening, as well as the special powers of attorney and ballot by correspondence forms for the OGSM shall be made available to the shareholders, both in Romanian and in English language, **at least 30 days before the date of the OGSM**, at the Company's registered office of Romania, Bucharest, 239 Calea Dorobanti Street, 2nd floor, office 4, 1st district and shall be made available on the Company's website (www.spheragroup.com, *Investor Relations* section).

As of the date of the convening, the Company's share capital is formed of 38,799,340 nominative shares, each share giving the right to one vote; thus, the total number of voting rights as of the date of the convening is 38,799,340 voting rights.

The draft resolutions proposed by shareholders shall be posted on the Company's website as soon as possible, after being received by the Company.

Additional information may be obtained from the *Investor Relations* Department, by phone 021.201.17.57 and on the Company's website www.spheragroup.com.

Georgios ARGENTOPOULOS
CHAIRMAN OF THE BOARD OF DIRECTORS