



Convening notice for the Extraordinary and Ordinary General Shareholders' Meetings of BITTNET SYSTEMS S.A.

The Sole Administrator of BITTNET SYSTEMS S.A., a Romanian legal entity, with headquarters in Bucharest, Str. Șoimuș no. 23, Bl. 2, Sc. B, Ap. 24, 040704 - Sector 4, with office and mailing address in Bucharest, Bd. Iuliu Maniu no. 7, et. 1, 061072 - Sector 6, registered in Trade Register Office under number: J40/3752/22.02.2007, Sole Registration Code: RO21181848,

CONVENES:

The Ordinary General Meeting of Shareholders of BITTNET SYSTEMS on 28th April 2016, 10.00 o'clock (Romanian time) at the Company's offices: Bucharest, Bd. Iuliu Maniu no. 7, et. 1, sector 6, and

The Extraordinary General Meeting of Shareholders of BITTNET SYSTEMS on 28th April 2016, 11.00 o'clock (Romanian time) at the Company offices: Bucharest, Bd. Iuliu Maniu no. 7, et. 1, sector 6,

for all persons registered as shareholders of the Company on the 15th of April 2016 (the Reference Date) in the Register of Shareholders kept by Central Depository S.A. (Depozitarul Central). Only those persons that have the quality of shareholder at end of the Reference Date have the right to participate and vote at the OGMS and EGMS.

The agenda of the OGMS is as follows:

1. Approval of the financial statements for the financial year ended at December 31, 2015 (accompanied by the Administrator's Report and the Financial Auditor's Report) as well as the approval of profit distribution.
2. Discharge of the Administrator from for any liability for its administration during the 2015 financial year.
3. Approval of the income and expenditure budget for 2016.
4. Approval of the Contract of Mandate for the Administrator in amount of monthly gross wage: RON 2681. The delegation of a person (representing the Company) to sign the Administrator's Contract of Mandate. (proposal: Mr. Cristian-Ion Logofatu)
5. Approval of the Contract of Mandate for the CFO in amount of monthly gross wage: RON 2681. The delegation of a person (representing the Company) to sign the CFO's Contract of Mandate. (proposal: the Company Administrator, Mr. Mihai-Alexandru-Constantin Logofatu)
6. The mandating, with the possibility of substitution, of the Administrator, Mr. Mihai-Alexandru-Constantin Logofatu, to sign the shareholder meeting's decisions, the updated version of the Articles of Incorporation as well as any other documents related to these, as well as the mandating to fulfill any procedures or formalities required by law in order to put in action the decisions of the shareholders, including but not limited to the formalities of publishing and registering the decisions with the Trade Registry or any other public institution.



7. Approval of the registration date as 16th May 2016 (defined as the date of identification of the shareholders who are to benefit from dividends and other rights and to whom the decisions apply to)

In case of a presence not reaching the legal quorum at the first convocation, the General Meeting of Shareholders will take place on April 29th, 2016, 10.00 o'clock, at the same address, with the same agenda and same reference date.

The agenda of the EGMS is as follows:

1. Discussion and approval of removing the names and identification information of the shareholders mentioned in the Articles of Incorporation in effect at the EGM's date, according to art. 204 paragraph 7 from Law no.31/1990, republished and amended.

2. Approval for amendment of art. 6 from Articles of Incorporation which will have the new version as follows:

"Art. 6 - Share capital

6.1 At the date of adopting the present Articles of Incorporation, the Company has a Share capital of RON 450,438.3 divided in 4,504,383 registered, ordinary and dematerialized shares with a nominal value of RON 0,1.

6.2 The quality of Shareholder of Bittnet Systems S.A. is attested by a statement issued by the Central Depository.

6.3 The Identification information of each shareholder, the contribution to the share capital, the total number of shares and the participation percentage in the total capital are detailed by the Shareholders' Register kept in the computer system by the Central Depository."

3. Approval for amendment of art.18.1 of the Articles of Incorporation with the following:

"o) represents the Company with full powers for approving, negotiating, signing, contracting, financing, refinancing, guaranteeing, granting of guarantees, ratification and signing in name and on behalf of the Company of any necessary documents relating to any financing, refinancing of bank loans, contracting any new financing products (loans, leases and any other financing / refinancing contracted / to be contracted by the company in the commercial terms of the financial partners in order to optimize the Company's financial and economic activity."

4. Approval of a capital increase with the amount of RON 900,876.6 by issuing 9,008,766 new shares with nominal value of RON 0.1 per share to be distributed to the registered shareholders mentioned in the Shareholders' Register held by the Central Depository at the registration date which will be determined by GMS (*proposal: 16.05.2016*) . The allocation ratio of newly issued shares will be two bonus shares for every share held (2:1). The share capital increase will be achieved by using the following sources:

- a) capitalization of undistributed net profits of the years 2007-2014 in the amount of RON 392,025.93;
- b) capitalization of share premiums in the amount of RON 1,250.15;

- c) capitalization of the amount of RON 507,600.52 from the undistributed profit of the fiscal year 2015.

5. Approval of a capital increase by making new contributions in cash from shareholders registered in the Shareholders' Register held by the Central Depository at the registration date that will be determined by GMS (*proposal: 16.05.2016*). The capital increase is subject to approval by the GMS notwithstanding the provisions of art .12.6 and art.18.1 lit. j) . The increase will take place in the following conditions:

- a) The number of new shares issued will be 1,000,974 each with a nominal value of RON 0.1 / share and an issue premium to be decided by the GMS (*proposed 0.68 lei per share*).
- b) The share capital increase is achieved by offering new shares for subscription, within the preference rights to:
 - i) shareholders who were registered in the Shareholders' Register at the registration date, at the moment of share capital increase, and have not alienated their preference rights during the trading period and
 - ii) persons who acquired preference rights during the trading period, from the registered shareholders identified in the Shareholders Register at the registration date;
- c) After the period for exercising the preference rights for newly issued shares expires, unsubscribed shares will be offered for subscription in a private placement at a price at least equal to the price offered to shareholders under article a) above.
- d) The preference rights will be tradable in the relevant market administered by Bucharest Stock Exchange, according with the specific regulations of the capital market.
- e) The number of preference rights issued will be equal to the number of shares issued by the Company, registered in the Shareholders' Register, each shareholder, registered in the Shareholders' Register at the registration date of capital increase, will receive a number of preference rights equal with the number of shares held.
- f) For subscription of one new share under the preference right, a shareholder must hold 4.5 preference rights. A shareholder of the Company at the registration date which has not alienated their rights may purchase a maximum number of newly issued shares calculated by dividing the number of subscription rights held by that shareholder, on the registration date, to the number of preference rights necessary to subscribe one new share. In the case that the maximum number of shares that can be subscribed during the preference right (resulting from the above calculation) is not a natural number, the maximum number of shares that can actually be subscribed will be rounded-up to the next higher natural number.
- g) The period for exercising the right of preference will be one month from the date established in the proportioned prospectus / offer prospectus and will begin at a later registration date corresponding to the share capital increase and the date of publication of the decision in the Official State Gazette (Monitorul Oficial).
- h) Shares remaining unsubscribed after offering them within a private placement will be canceled by decision of the Administrator which finds the actual results of the capital increase and approves the relevant amendments to the Articles of Incorporation, following the value of the capital increase to be determined by reference to shares actually written in the stages mentioned in the points above.



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- i) The share capital increase is done to ensure the implementation of the development plans of the Company.
 - j) The Administrator is authorized to undertake any necessary steps, procedures and actions to ensure the fulfilling of the capital increase decision, including but not limited to:
 - i. Contracting the necessary services to compile the relevant documentation (including but not limited to the preference rights presentation document, the offer document / proportioned prospectus for exercising preference rights) as well as the actual implementation of the share capital increase;
 - ii. The subscription period and the payment methods;
 - iii. The details for trading the preference rights on the relevant market administered by the Bucharest Stock Exchange;
 - iv. Deciding the technique of actual delivery for the private placement (using the BVB system or the direct method with the Central Depository);
 - v. Cancellation of the unsubscribed shares after the last step of the issue;
 - vi. Adopting any decisions necessary to implement the capital increase;
 - vii. Modifying the Articles of Incorporation to reflect the results of the capital increase

6. The approval of a key-person stock options incentive plan, by offering key person the option to acquire a maximum of 5% of the total amount of shares at a preferential price ("The Plan"), in the form presented to the Shareholders' Meeting.

7. The approval of authorizing the Administrator to undertake any measures to ensure that the holders of the options can actually exercise them (to decide the relevant increase of the share capital based on the delegation of competence from art. 12.6 of the Articles of Incorporation, to decide the suspension of the preference rights of the shareholders recorded at the registration date, according to art. 220¹ of the Companies' Law - no. 31/1990, as well as any other actions, decisions and procedures required by law so that the exercise of the options by their holders can produce any effects).

8. The approval in principle of a share capital increase by issuing preferential sharer, without the right to vote but with a fixed, priority dividend, subject to a limit of 10% of the total share capital of the Company at the date of the decision of the increase. Approval of the authorization of the Administrator to decide the capital increase, the number of shares to be issued, the period for the priority dividend right, the amount of the dividend and any other documents, decisions, activities and procedures necessary to be put in place in order to ensure the present decision, based on the delegation of competence from art. 12.6 of the Articles of Incorporation.

9. The approval in principle of a corporate bonds issue valued at a minimum of RON 3,350,000, with a nominal (face) value of RON 1,000 per bond, with a maturity date between minimum 3 and maximum 5 years, with a yearly coupon of a maximum of 9% and the mandating of the Administrator to decide the opportunity of the issue, as well as the final details, as well as mandating the Administrator to sign and produce any relevant documents necessary, including but not limited to the bonds prospectus, documents necessary for listing the bonds on the AeRo market, and any other documents that might be needed in relation to the fulfilling of the current decision.

10. The mandating, with the possibility of substitution, of the Administrator, Mr. Mihai-Alexandru-Constantin Logofatu, to sign the shareholder meeting's decisions, the updated version of the Articles of Incorporation as well as any other documents related to these, as well as the mandating to fulfill any procedures or formalities required by law in order to put in action the decisions of the shareholders, including but not limited to the formalities of publishing and registering the decisions with the Trade Registry or any other public institution.

11. Approval of the registration date as 16th May 2016 (defined as the date of identification of the shareholders to whom the decisions of the EGM apply to)

In case of a presence not reaching the legal quorum at the first convocation, the General Meeting of Shareholders will take place on April 29th, 2016, 11.00 o'clock, at the same address, with the same agenda and same reference date.

GSM Documents

The convening notice, the documents to be debated as well as the GSM resolution draft are available starting with 28th March 2016 at the Company's office: Bucharest, Bd. Iuliu Maniu no. 7, et. 1, sector 6 or on the web page: <http://www.bittnetsystems.ro/investors/>. The share capital is composed of 4.504.383 shares, each share conferring the right to express one vote in GSM.

Shareholders' proposal regarding GSM

One or more shareholders having at least 5% of the share capital, individually or jointly, are entitled:

- 1 to introduce new topics on the agenda (provided that each topic is accompanied by a justification or a draft decision proposed to be approved by the general meeting, such proposal has to be sent to the Company's office: Bucharest, Bd. Iuliu Maniu no. 7, et. 1, sector 6, date 07.04.2016 hours 17,00);
- 2 to present draft resolutions for the topics on the agenda or proposed to be included on the agenda of the general meeting (such proposal has to be sent to the Company's office: Bucharest, Bd. Iuliu Maniu no. 7, et. 1, sector 6, before 07th April 2016 hours 17,00).

If applicable, the revised agenda will be published until 12th April 2016, in accordance with the legal provisions. Shareholders' proposals and documents proving that the conditions to exercise these rights shall be submitted :

- through a handwritten document in original, by mail or courier, to Bittnet Systems SA - Bucharest, Bd. Iuliu Maniu no. 7, et. 1, sector 6
- online: document signed with electronic signature, according to Law. 455/2001 regarding the electronic signature via e-mail at: investors@bittnet.ro

Questions About GSM:

The shareholders may ask questions about items on the agenda, along with documents that allow identification of the shareholder no later than the day before the GMS. The Company can respond by posting the response on the company's website (<http://www.bittnetsystems.ro/investors/>). Shareholders may send questions in writing either by post or courier services at the company address mentioned above or by electronic means (at: investors@bittnet.ro)

Participation in GSM:

The reference date is 15th April 2016. Only shareholders registered in the Shareholders Register on that date, held by the Central Depository, may participate and vote at this general meeting.

Shareholders may participate in the General Meeting represented directly or by other persons, according to law, or may vote by correspondence.

1) Documents required for participation in the GSM for individual shareholders are:

- if the shareholder participate as personal - ID;
- if the shareholder is represented by another person: proxy and the identity of the representative;

2) Documents required for participation in the GSM for shareholders-companies are:

- the representative of the shareholders-companies will provide the following proof of identity: identification document of the representative (Identity card or legal equivalent for Romanian citizens or passport/proof of residency for foreign citizens). The quality of legal representative of the legal person shareholder is established on the basis of an official document that certifies the above quality (a document issued by a competent authority, in original or certified copy, not older than 1 month before the date of the GSM).

- for the person who was delegated - besides the aforementioned document that certifies the quality of legal representative of the person signing by the power of attorney, will present the special proxy signed by the legal representative of the legal person.

Starting with the 28th of March 2016, special proxy forms for the Ordinary and Extraordinary General Meeting, and proxies for those for voting by correspondence, may be obtained from the company's address: Bittnet Systems SA - Bucharest, bd. Iuliu Maniu, no. 7 et. 1, sector 6 or can be downloaded from the Company's website (<http://www.bittnetsystems.ro/investors/>).

After completing and signing the power of attorney (in 3 copies), under penalty of losing the right to vote, a filled copy will be sent to the Company's office in Bucharest, Bd. Iuliu Maniu 7 et. 1, sector 6 until 26th April 2016, 10:00, a copy of the proxy will be given to the third party and the third copy will remain with the shareholder. The proxies may be sent by e-mail before the date mentioned above, the document signed with electronic signature, according to Law. 455/2001 regarding the electronic signature - by e-mail at: investors@bittnet.ro. The power of Attorney will be accompanied by a copy of the identity document of the shareholder for natural persons / or of the legal representative of the shareholder legal person, and for legal persons, the official document certifying the legal representative for proxy signer. Special proxies shall include the information specified in the proxy form provided by the Company, indicating the vote for each item on the agenda.

Shareholders registered at the reference date have the opportunity to vote by mail before the Ordinary General Assembly and Extraordinary Shareholders using the correspondence voting form



available starting for 28.03.2016 the Company's website, or at its address office in Bucharest, Bd. Iuliu Maniu 7 et. 1, sector 6. The form of voting by mail with signature authentication by a public notary and accompanied by a copy of identity card (for individual shareholders) or certificate of registration of the shareholder (for legal entities shareholders) will be submitted in original at company office address in Bucharest, Bd. Iuliu Maniu, no. 7 et. 1 sector 6, the latest day 29th of April 2016 at 09.00. The forms for correspondence voting may be sent by e-mail to the date mentioned above, the document signed with electronic signature, according to Law. 455/2001 regarding the electronic signature - by e-mail at: investors@bittnet.ro.

Further information can be obtained at the Company's office in Bucharest, Bd. Iuliu Maniu 7 et. 1, sector 6 or by phone (+40 21) 527 16 00 between 9,00 - 17,00 hours.

SOLE ADMINISTRATOR,

MIHAI LOGOFATU