

## TOPIC 3 ON THE OGM AGENDA

**Election of the members of the company's Board of Directors (administrators) for a term of office of 4 year, starting on April 25, 2021 and until April 25, 2025, specifying that the persons elected for the position of administrator will exercise their duties related to the position only after the Financial Supervisory Authority issued the decision of authorization / approval, as per the applicable legal provisions**

### 1. ADMINISTRATION OF THE COMPANY

SIF Banat-Crişana is administered by a Board of Directors (i.e. administrators) comprised of five members, elected by the ordinary general meeting of shareholders for a mandate of four years, with the possibility of being re-elected.

Board of Directors has decision-making powers regarding the administration of the Company in the period between the general meetings of shareholders, except for the decisions that the law or company's Articles of Association provide exclusively for the general meeting.

The members of the Board of Directors must cumulatively meet the general conditions stipulated by Law no. 31/1990 on trading companies, completed with the criteria established by Law no. 24/2017 on issuers of financial instruments and market operations, Law no. 74/2015 on managers of alternative investment funds, ASF Regulation no.1/2019 regarding the assessment and approval of the members of management structures and of persons holding key-functions within entities regulated by the Financial Supervisory Authority, and Company's Articles of Association.

The members of the Board of Directors are authorized in this position by ASF after their election by the general meeting of shareholders.

The structure and composition of the board of directors of SIF Banat-Crişana comply with the requirements of the specific applicable legislation, so that the Company can efficiently fulfil its obligations.

The members of the Board of Directors must have adequate knowledge, skills and professional experience to understand the Company's activities, the risks associated with these activities as well as the financial instruments in which SIF Banat-Crişana invests. At the same time, the members of the board of directors must meet the requirements of reputation, honesty, integrity and governance established by ASF Regulation no. 1/2019.

The structure of the Board of Directors of SIF Banat-Crişana must ensure a balance between executive and non-executive members, respectively independent directors, so that the decision-making process of the board cannot be dominated by one person or a small group of people.

The main responsibilities of the members of the Board of Directors are the following:

- Establishes and periodically reviews the general investment policy of SIF Banat-Crişana
- Convenes and coordinates the organization and conduct in compliance with legal requirements the general meetings of the Company's shareholders
- Implements the decisions of the general meetings of shareholders
- Submits for approval to the general meeting of shareholders within the legal deadline, the

report on the company's activity, financial statements, profit distribution, activity program and draft budget for the current year

- Submits to the approval of the general meeting of shareholders the revision of the budget of revenues and expenses, depending on the fluctuations in the economy
- Reports to ASF and to the regulated market on which the company is listed, under the signature of Company's representatives, the information provided by the regulations in force, within the required deadlines and content
- Appoints and dismisses the (Executive) Directors of the Company and establishes their remuneration
- Delegates the management of the company in accordance with the legal provisions
- Establishes the composition of the Investment Committee
- Approves the limits of decision-making competence regarding the Company's operations
- Approves the contract with the depositary bank, with the company keeping the record of company's shareholders according to the regulations in force, and with the financial auditor
- Approves the organization chart of the Company, the Internal Regulations, the Internal Rules and the system procedures
- Approves the Strategic Plan and the Annual Internal Audit Plans; analyzes the internal audit reports and takes the necessary measures
- Approves the investigation plan of the Compliance Office; analyzes the reports prepared by the Compliance Office and takes the necessary measures
- Approves the prospectuses and advertising materials in the case of issuing own shares
- Authorizes the initiation and conduct of public offerings on own shares
- Decides on marketing tactics and strategy
- Analyses the reports prepared by the financial auditor
- Analyses the activity reports of the functional departments of the company
- Analyses the reports of transactions performed on behalf of the Company
- Establishes methods for evaluating portfolio performance
- Approves asset valuation methods
- Ensures that the Company has an IT system that allows the safe keeping of market price records for each asset in the portfolio, the value of net assets, the unit value of net assets for regulated reporting periods, highlighting the way of calculating all the commissions, fees and charges due, keeping the history of these operations for a period of at least five years
- Implements processes to identify, assess and respond to potential risks that may affect the achievement of the Company's objectives
- Approves policies, methodologies and procedures for the identification, assessment, monitoring and control of significant risks
- Approves the classification of information in the categories of inside and confidential information and the measures for their management
- Authorizes associations, partnerships and membership of the Company as a member of various associations, unions, foundations or business centers
- Approves the list of positions with salary limits, salary increases at Company level, salary

increases and rewards granted to (Executive) Directors

- Has the responsibility to ensure the establishment and application of corporate governance principles with respect to, but not limited to:
  - the strategic management of the company and the fulfilment of the established objectives;
  - preparing the company's business plan and evaluating its financial position;
  - ensuring that there is an appropriate framework for verifying the information submitted to the regulatory and supervisory entity, at its request, regarding certain actions taken by the company and verifying the application of specific legislation in the field of reporting to the regulatory and supervisory entity;
  - the adequacy, efficiency and updating of the risk management system;
  - the adequacy, efficiency and updating of the internal control system-compliance, so as to ensure its independence from the operational organizational and support structures within the company;
  - compliance with the requirements regarding the outsourcing / delegation of some operational activities or functions;
  - establishing and analysing the remuneration policy in such a way as to ensure that all remuneration commitments are properly and responsibly structured and that the remuneration policy allows and promotes effective risk management without leading to risk-taking beyond the tolerance level of company risk;
  - establishing the communication strategy with the interested parties complying with the applicable legal requirements;
  - establishing the relevant criteria for monitoring the results the work of the executive management and the company as a whole, and to annually assess the application of the criteria;
  - approving the company's appetite and risk tolerance limits, as well as the procedure for identifying, assessing, monitoring, managing and reporting the significant risks to which the company is or may be exposed;
  - ensuring the elaboration and implementation of clear action plans to ensure business continuity and emergencies as well as their half-yearly assessment in order to eliminate risks or minimize them;
  - ensuring the development of ethical and professional standards in order to ensure professional and responsible behaviour at the level of society in order to prevent conflicts of interest.

The Board of Directors delegates part of its powers to one or more directors (the Chairman of the Board of Directors also has the position of General Director - CEO), within the limits established by law, the articles of association and the decisions of the Board of Directors.

The Board of Director shall have the following basic powers, which may not be delegated:

- establishing the main lines of activity and development of the company;
- establishing the accounting policies and the financial control system, as well as approving the financial plan;
- appointment and revocation of directors appointed under Law no. 31/1990 and establishing their remuneration;
- supervising the activity of the directors;

- preparation of the annual report, organizing the general meeting of shareholders and implementing its decisions;
- filing the request for opening the company's insolvency procedure.

## 2. ELIGIBILITY REQUIREMENTS AND INCOMPATIBILITIES FOR SIF BANAT-CRIȘANA ADMINISTRATORS (MEMBERS OF THE BOARD OF DIRECTORS)

LEGAL GROUNDS	REQUIREMENTS
Art. 3 par. (1) section (a) of ASF Regulation no. 1/2019 Art. 2 par. (2) section (x) of ASF Regulation no. 1/2019	The regulated entities will subject to the ASF approval, before beginning the executions of their attributions: a) the members of management structures of the regulated entities.  Management structure means the members or the council and of the executive management/top management.
Art. 5 par. (1) of ASF Regulation no. 1/2019	For the purpose of ensuring a prudent and correct management of the regulated entities, the assessed individuals fulfil and maintain, throughout the performance of the activity, the requirements included in the present regulation, regarding: a) the knowledge, skills and professional experience; b) reputation, honesty and integrity; c) governance.
Art. 6 par. (4) of ASF Regulation no. 1/2019	The regulated entities will ensure that the assessed persons do not present any potential risk, which could determine the vulnerability of the entity and, for this purpose, it specifically investigates if the respective persons: a) have a good reputation; b) have sufficient knowledge, skills and experience in order to fulfil the attributions specific for the function; c) are capable of acting with honesty, integrity and have an independent thinking in order to assess and challenge, having adequate arguments, the decisions of the executive management/top management, as well as any other decisions when necessary and for the purpose of supervising and monitoring the decision making process; d) are able to allocate enough time, if they hold several functions, for fulfilling the attributions corresponding to the functions held within the regulated entity and, as applicable, in compliance with the specific applicable legislation, while observing the maximum number of management positions that can be hold simultaneously;
Art. 10 par. (1) and (2) of ASF Regulation no. 1/2019	For the purpose of ensuring a prudent, correct and efficient management of the regulated entities, the assessed persons: a) have graduated with a Bachelor's degree, a higher education institution in the fields financial-banking, economic, legal, accounting, audit, public management, financial regulations, information technology, quantitative methods, without the list being exhaustive, or have relevant master / postgraduate in these areas; b) have theoretical knowledge, skills and relevant practical and professional experience, complying to the nature, size and complexity of the activities carried out by the regulated entity and of the allocated responsibilities. (2) For assessing practical and professional experience, the experience gained from previous jobs will be considered.
Art. 10 par. (3) of ASF Regulation no. 1/2019	The management structure members will fulfil the general conditions provided by Law no. 31/1990, republished, with subsequent amendments, and will prove that: a) they understand the current activity of the Company and the related risks, at a level compliant to the allocated responsibilities; b) they have an adequate level of knowledge, also in relation to the areas for which he/she holds no direct, individual responsibility, but for which he is liable together with the other members of the management structure;

	<p>c) they have a clear understanding of the requirements and governance principles, as well as of the Company's business plan/model, of the role and responsibilities granted and, as applicable, of the group's structure and possible conflicts of interest;</p> <p>d) they have the capacity of contributing to the implementation of a culture and of adequate values and behaviours within the management structure and the structure of the regulated entities;</p>
Art. 11 par. (5) of ASF Regulation no. 1/2019	(...) board members need to have a relevant experience of at least 3 years in performing their duties, unless the law provides otherwise.
Art. 11 par. (6) of ASF Regulation no. 1/2019	Individuals appointed to ensure executive management/top management have an individual experience in management positions of at least 3 years, as well as a practical and professional experience in the financial - banking field or relevant specialized fields, in compliance with the nature of the activity carried out by the entities, of at least 5 years, unless the law provides otherwise.
Art. 11 par. (7) of ASF Regulation no. 1/2019	As an exception from the provisions of paragraph (6), and depending on the nature and complexity of the targeted entity, the experience with management functions of the appointed persons can be of less than 3 years, but it cannot be of less than 1 year.
Art. 8 par. (2) letter b of ASF Regulation no. 10/2015	not to be members of the board of directors/supervisory board or managers/members of the executive board of another AIFM/investment management company/investment company or credit institution acting as depositary for any of the undertakings for collective investment under management, not to be members of the board of directors/supervisory board of the SSIF with which the AIFM/SAI concluded a financial intermediation contract and not to be employed or have any kind of contractual relationship with another SAI or investment company, except for other entities belonging to the same group;
Art. 73 <sup>1</sup> of Law no. 31/1990 in conjunction with Art. 6 par. 2 of Law no. 31/1990	May not be founders people who, by law, are incapacitated or who have been convicted for fraudulent management, breach of trust, forgery, use of forgery, fraud, embezzlement, perjury, giving or taking bribe, for wrongdoings provided by Law no. 656/2002 on preventing and sanctioning money laundering, and the establishment of measures to prevent and combat terrorism financing, as amended and supplemented, for wrongdoings provided by Art. 143-145 of Law. 85/2006 on insolvency proceedings or those of present Law, as amended and supplemented.
Art. 73 <sup>1</sup> of Law no. 31/1990	The persons who, pursuant to Art. 6 par. (2) may not be founders may not be administrators, managers, members of the supervisory board and the directorate, auditors, and financial auditors, and if elected, are to be disqualified.
Art. 153 <sup>16</sup> of Law no. 31/1990	A natural person may simultaneously exercise maximum 5 offices of administrator and/or member of the supervisory board in joint-stock companies with a head office on the Romanian territory. This provision shall apply to the same extent to the natural person administrator or member in the supervisory board, as it applies to the natural person who is a permanent representative of a legal person that is an administrator or member of the supervisory board.
Art.14 par. (1) of SIF Banat-Crișana's Articles of Association	The persons elected in the Board of Directors shall meet the requirements laid down in Law 31/1990 republished and the capital market legislation and not to be members of the board of directors / supervisory board or managers / members of the executive board of another AIFM/investment management company/investment company or credit institution acting as depositary for SIF Banat-Crișana, not to be members of the board of directors/supervisory board of the SSIF with which SIF Banat-Crișana concluded a financial intermediation contract and not to be employed or have any kind of contractual relationship with another SAI or investment company, except for other entities belonging to the same group.

## 2. THE PROCEDURE FOR ELECTING THE ADMINISTRATORS

The candidates for the position of administrator may submit their candidature files at the headquarters of the company located Arad, 35A Calea Victoriei, between December 7, 2020 and December 14, 2020, 16:00 hours, in original, by mail, courier services or in person at the company's registry. The files will be registered in the chronological order of their remittance.

The list of documents required for the candidature file will be available on company's website, starting with December 5, 2020, at [www.sif1.ro](http://www.sif1.ro), in the section *Investor Relations > General meeting of shareholders > 2021*.

The evaluation of candidates for the position of administrator is carried out by the Nomination and Remuneration Committee and submitted for the analysis of the Board of Directors. The list of candidacies will be published after the procedure for the analysis and assessment of the adequacy of the candidates is completed, as per the provisions of ASF Regulation no. 1/2019 regarding the assessment and approval of the members of management structures and of persons holding key-functions within entities regulated by the Financial Supervisory Authority, and the applicable internal regulations.

The list of candidates containing information on their name, place of residence, professional qualification and the result of the assessment carried out by the company, will be made available to shareholders on company's website, at [www.sif1.ro](http://www.sif1.ro), in the section *Investor Information section > General Meeting of Shareholders > 2021*, on December 15, 2020. Starting with the same date, the special empowerment forms / corresponding voting forms are published on the site, filled in with the names of the candidates for the position of administrator. The registration of the candidates on the voting documents is done in the chronological order of the submission of the candidacy files.

The election of members of the Board of Directors is on topic 3 of the agenda of the Ordinary General Meeting of Shareholders convened for January 6 (7), 2021.

The election of the members of the Board of Directors is done by secret voting, as per Art. 130, par. (2) of Law no. 31/1990 and Art. 6, par. (20) of Company's Articles of Association.

On topic 3 of the agenda requiring secret voting, the shareholders present or represented at the OGM meeting shall only use the voting manner provided by the Company for voting, ensuring the secrecy of voting, and will not vote in any circumstances openly, by show of hands.

As for the votes cast by correspondence previously to the OGM meeting, the votes by correspondence cast by shareholders will be revealed only to OGM Secretariat, at the moment when the other votes secretly cast by the shareholders present or shareholders' representatives attending the meeting are revealed. The Company made sure by internal procedures adopted that votes cast by shareholders on the topic of the agenda requiring secret ballot remain confidential.

The voting documents are drafted so that shareholders can express their vote "For", "Against" or "Abstain" for each candidate registered. The vote is expressed by marking an "X" in the corresponding box for each candidate, according to the voting option: "For", "Against" or "Abstain". **The voting option "For" shall be marked for no more than 5 candidates**, the number of seats in the Board. The Secretariat of OGM will count the valid votes expressed by the shareholders and representatives attending the meeting, and the votes expressed by correspondence, according to the option "For", "Against" and "Abstain" for each candidate.

Shall be declared elected **the first 5 (five) candidates ranked in descending order of the number of votes "For" obtained**, provided that the votes obtained represent 50% plus one of the total valid votes cast in the general meeting of shareholders.

The term of office of the administrator is of 4 years, starting on April 25, 2021 and until April 25, 2025, specifying that the persons elected for the position of administrator will exercise their duties related to the position only after the Financial Supervisory Authority issued the decision of authorization / approval, as per the applicable legal provisions.

The detailed voting procedure is available for the shareholders on Company's website at [www.sif1.ro](http://www.sif1.ro). in the section *Investor Relations › General meeting of shareholders › 2021*.

**Bogdan-Alexandru DRĂGOI**

Chairman of the Board of Directors

This is an English translation of the Informative materials for the OGM Agenda, approved by the Board of Directors of SIF Banat-Crișana. The Company provides this translation for shareholders' reference and convenience. If the English version of this informative materials differ from the Romanian version, the latter prevails.