

TOPIC 3 ON THE OGM AGENDA

Appointment of the financial auditor, setting the duration of the financial audit contract, and empowerment of the board of directors to negotiate and conclude the audit contract

As per the provisions of Law no. 31/1990, article 111, subsection b¹, the requirement of the general meeting is, that: „*in the case of companies whose financial statements subject to audit, to appoint or dismiss the financial auditor and to set the minimum duration of the financial audit contract.*”

The General Meeting of Shareholders of November 2, 2020 approved the appointment of Deloitte Audit SRL as financial auditor for the financial year ended on December 31, 2021, extending the initial term of two years by another year.

As per the provisions of the ASF Rule no. 13/2019 2019 on the uniform framework for the conduct of the statutory audit entities authorised, regulated and supervised by the Financial Supervisory Authority (ASF), the audit contract is concluded until October 31 of the current year, so as to enter into force starting with January 1st of the following year.

The legal provisions in force that regulate the appointment of the financial auditor are comprised in the following normative acts:

- *Regulation (EU) No. 537/2014* of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities;
- *Directive 2014/56/EU of the European Parliament and of the Council amending Directive 2006/43/EC* on statutory audits of annual accounts and consolidated accounts;
- *Law no. 162/2017* on the statutory audit of the annual financial statements and the consolidated annual financial statements;
- *Rule no. 13/2019* on the uniform framework for the conduct of the statutory audit entities authorised, regulated and supervised by the Financial Supervisory Authority (ASF),
- *Law no. 31/1990* on trading companies.

The procedure for the selection of the financial auditor

SIF Banat-Crişana carried out under the coordination of the Audit Committee a procedure for selecting the financial auditor in order to perform the statutory audit of the standalone and consolidated financial statements prepared for the financial years 2022 and 2023.

According to the regulations applicable to the statutory audit and the internal regulations of SIF Banat-Crişana, the Audit Committee has the responsibility to make recommendations to the Board of Directors regarding the selection and appointment of the financial auditor, as well as the terms and conditions of their remuneration.

Invitations have been sent to auditors with international recognition, who are included in the list of auditors authorized by the Financial Supervisory Authority (ASF) to conduct financial audit activities at entities authorized, regulated and supervised by ASF - Financial Instruments and Investments Sector, communicating the minimum requirements to be included in their offers, structured in the following main categories:

- *Relevant information on the audit firm*, with reference to: key competencies, relevant activities and clients, available human and informational resources, the manner of approaching the

audit, the audit transition process (if applicable), the manner of ensuring the quality of the audit process and the requirements of independence and avoidance of conflicts of interest;

- *Mandatory documents* attesting: the quality of financial auditor of the legal person, certificate issued by the Trade Register Office on the current state of the firm, professional liability insurance contract, relevant information about the key audit partner (curriculum vitae, criminal record, statement on lack of sanctions and prohibitions on possible incompatibilities or conflicts of interest).
- *The financial offer*, including the fees for auditing the standalone and consolidated financial statements for the financial years 2022 and 2023, as well as separate estimates of the fees for additional or occasional services.

The audit committee analyzed the proposals received, evaluating the bids aiming that the selection of the audit offer to lead to the provision of quality professional services in financial conditions beneficial to the Company, prioritizing the interest of shareholders in selecting an auditor with relevant experience in the field and having the resources needed to provide high quality services in the audit process. During the selection procedure, the candidates had the opportunity to improve their financial offers.

The evaluation of the offers was performed based on the following criteria:

- *Information provided and requirements met as a result of compliance with the rules and principles governing the statutory audit activity:*
 - the organization and structure of the audit firm,
 - collaboration between the different segments (consultancy, fees, evaluation, etc.) in the provision of services,
 - the existence of a key partner and a quality assurance partner,
 - addressing general and specific risks,
 - communication with the company's management,
 - internal procedures on independence and avoidance of conflict of interest;
- *Specific aspects differentiating the audit approach, critical success factors in ensuring the delivery of quality work and compliance with reporting deadlines:*
 - relevant experience of key partner and team members in the investment fund industry;
 - use of information technology in facilitating the communication and transfer of information and data during the audit;
 - the degree of understanding and approach of the main aspects specific to the activity of SIF Banat-Crișana.
- *Financial offer*

Following the evaluation of the bids received, the Audit Committee expressed the justified preference for the firm Deloitte Audit SRL and submitted this recommendation to the Board of Directors to nominate the financial auditor.

The Board of Directors approved the recommendation and preference of the Audit Committee and to register on the ballot paper, in order to submit for the approval of the Ordinary General Meeting of SIF Banat-Crișana Shareholders convened for October 11 (12), 2021, the financial auditor Deloitte Audit S.R.L.

Bogdan-Alexandru DRĂGOI

Chairman of the Board of Directors

RESOLUTION SUBMITTED FOR THE APPROVAL OF OGM on **topic 3** on the Agenda

Approval of appointing Deloitte Audit S.R.L. as financial auditor, extending the existing mandate with 2 (two) years, and the empowerment of the board of directors to negotiate and conclude the audit for the purpose of auditing the standalone and consolidated financial statements for the financial years ended December 31, 2022 and December 31, 2023.

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.