

## TOPIC 8 OF THE OGM AGENDA

### **Approval of the remuneration due to the members of the Board of Directors for the financial year 2023.**

**Lion Capital SA** (the new corporate name of SIF Banat-Crişana since March 24, 2023) is managed by a Board of Directors (administrators) composed of 5 members, elected by the shareholders' general meeting for a period of four years, with the possibility to be re-elected.

The Board of Directors has decision-making powers regarding the management of Lion Capital in the interval between the general meetings of the shareholders, except for the decisions that the law or the Articles of Association provide as exclusively for the general meeting.

The Board of Directors is responsible for the strategic management of Lion Capital, the fulfilment of the established objectives and preparing the business plan and has the obligation that, based on formal and transparent provisions, to carry out the evaluation of the financial position of the Company.

The Board of Directors has to establish relevant criteria for monitoring the results of the activity of the executive management and of SIF Banat-Crişana as a whole, and to annually assess the application of the criteria.

The activities carried out by Lion Capital and its development perspectives are analysed at least once a year by the board of directors.

The Board of Directors has a responsibility to ensure that there is an appropriate framework for verifying how specific reporting legislation is applied to the reporting to ASF.

The Board of Directors shall establish with the financial auditor a formal and transparent framework through which to provide accurate, complete, and timely information on how financial reporting principles and practices, including prudential reporting, are applied.

The Board of Directors has a responsibility to ensure that there is an adequate framework for verifying the information submitted to the ASF, at its request, regarding certain actions taken by the Company.

The Board of Directors and the Executive team regularly review the policies on financial reporting, internal control and risk management system adopted by the Fund. Lion Capital periodically reviews its internal policies and procedures on financial reporting, internal audit, internal control / compliance checking and the risk management system in order to comply them with possible legislative changes, as well as for the operational improvement of internal systems.

The Board regularly reviews the effectiveness of the internal control system and how it is updated to ensure rigorous risk management to which the Company is exposed.

The Board of Directors shall ensure compliance with the requirements regarding the outsourcing / delegation of operational activities or functions, both before its performance and throughout the outsourcing / delegation.

The Board of Directors reviews and establishes the remuneration policy of Lion Capital so that it corresponds to the business strategy, objectives and long-term interests and includes measures to prevent conflicts of interest.

The Board of Directors shall ensure that all remuneration commitments are properly and responsibly structured and that remuneration policies allow and promote effective risk management without leading to risk assumptions that exceed the regulated entity's level of risk tolerance.

The Board of Directors is responsible for ensuring that the principles of corporate governance are established and applied 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 to guarantee professional and responsible behaviour at the level of society to prevent conflicts of interest.

As per the provisions of Art. 111 par. (2) section c) and those of Art. 153<sup>18</sup> par. (1) of Law no. 31/1990, as amended and supplemented, setting the remuneration due for the current financial year for the Board members is on the competence of the Ordinary General Meeting of Shareholders.

Ensuring a prudent and effective administration, observing the principles concerning investor protection, must guarantee the proportionality of remuneration granted with the specific responsibilities of the position, to ensure the adequate and responsible remuneration, to provide the upturn of performance, to grow the value of Lion Capital, for the benefit of its shareholders.

**For the financial year 2023, the Board of Directors submits for the approval of ordinary general meeting of shareholders maintaining the monthly remuneration of RON 10,000 net amount for each administrator (member of the Board of Directors), amount approved by the resolution of the ordinary general meeting of shareholders held on April 26, 2016, published in the Official Gazette of Romania, Part IV, no. 1934 of May 19, 2016.**

### **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. 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.