

## ITEM 7 OF THE OGM AGENDA

### **Approval of the general limits of all additional remunerations set for the members of the Board of Directors and the general limits of the directors' remuneration.**

OGM deciding the general limits of all additional remunerations for the members of the Board and the general limits of directors' remunerations is a requisite of the Law 31/1990 on trading companies (Art. 153<sup>18</sup> par. 2).

The level of remuneration for the administrators and directors of the company has to be correlated with company size, with the nature and complexity of activities and responsibilities carried out, and not least, to the level of remuneration in the sector.

Moreover, the remuneration should promote the long-term sustainability of the company, in line with the business strategy, objectives, values and long-term interests of company. To achieve this goal, it is necessary to align the remuneration regime of the company to the remuneration policies and practices in the financial investment sector.

The remuneration policy and practices applied to the management of the company aim at promoting sound and efficient risk management and does not encourage risk taking that contradicts the assumed risk profile (average risk).

The main principles behind the remuneration policy of the company's management:

- pursuing compatibility with the sound and effective risk management and promoting this type of risk management, without encouraging risk-taking that is inconsistent with the risk profile, internal rules or company's Articles of association;
- substantiating on the values and beliefs of the organization and its compatibility with the business strategy, objectives, values and interests of SIF Banat-Crișana, as well as investor interests, including measures to avoid conflicts of interest;
- variable remuneration is paid or granted only if it is sustainable according to the financial situation of the Company as a whole and is justified by performance;
- it is forbidden to use personal cover or insurance policies related to remuneration or liability to undermine the effects of alignment of the risks provided in the remuneration schemes;
- the variable remuneration is not paid by means of instruments or methods to facilitate the avoidance of compliance with the remuneration policy requirements applicable within SIF Banat-Crișana.

Remuneration includes all forms of payments or indemnities granted both in cash and in the as equity instruments (shares granted under stock option plans approved by the general meeting of shareholders).

The general limits approved by the general meeting are maximum ceilings, not amounts to be actually paid, correlated with the provisions of the revenue and expenditure budget approved by the general meeting of shareholders.

The Ordinary General Meeting of Shareholders held on April 26, 2018, approved the general limits of all additional remunerations for the members of the Board of Directors to 0.3% of the average annual net asset value, and the general limits of the directors' remuneration to 0.14% of the average annual net asset value, on aggregate representing 0.44% of the average annual net asset value.

The Board of Directors submits for the approval of the general meeting of shareholders reducing the general limits of all additional remunerations for the members of the Board of Directors and the general limits of the directors' remuneration to 0.42% of the average annual net asset value.

**Bogdan-Alexandru DRĂGOI**

Chairman of the Board of Directors