

TOPIC 4 OF THE OGM AGENDA

Approval of distribution of the net profit of the financial year 2021, as proposed by the Board of Directors, in one of the two options presented.

SIF Banat-Crișana attempts to keep a balance between the remuneration of shareholders by dividend and the need to finance new investment with the reinvested profits. The strategy for the preservation of this balance aims to increase the long-term investment attractiveness for SIF Banat-Crișana shares, while keeping the potential of company's future development, ensuring the increase of the value created for shareholders.

The remuneration of SIF Banat-Crișana's shareholders is done for their benefit, both through dividend distribution, as well as by deciding to reinvest the profits or buyback of shares, for the stated purpose of increasing the value of the shares. This increase in the shareholder's capital is manifested by at least the implicit increase in the value of the share due to the favourable effect of profitable reinvestment of the capital.

Remuneration of shareholders by dividend distribution or their reinvestment, or by buyback of shares listed on the market, may bring additional benefits to shareholders over the medium and long term.

Following the analysis of the financial performance, the current financial position (both in structure and multiannual dynamics) and the need to finance the investment strategy for the next period, the Board of Directors **proposes the OGM the distribution of the net profit of the financial year 2021, in the amount of RON 387,001,105, in one of the options:**

OPTION 1: The distribution of the net profit of the financial year 2021, in the amount of RON 387,001,105 on the following destinations:

- Dividends RON 30,450,603 representing a gross dividend of RON 0.0600 /share

Approval of the date of July 28, 2022, as the dividend payment date. The distribution of dividends to shareholders will be made in accordance with the legal provisions and the payment costs will be borne by the shareholders from the net dividend amount.

- Other reserves RON 356,550,502.

Following the approval of this distribution of profit, it becomes obsolete, and it is removed from the agenda of the EGM convened for April 28 (29), 2022, the proposal for the approval a buyback program for 15,300,000 shares at most, for the reduction of company's share capital (Program 5), included on topic 4 of the agenda of the said meeting.

or

OPTION II: The allocation of the net profit of the financial year 2021 amounting to RON 387,001,105 to "Other reserves", as own financing sources, for the execution of a new buyback program for a number of 15,300,000 shares, to reduce the Company's share capital – Program 4, included on topic 4 of the EGM of April 28 (29), 2022.

Following the approval of this distribution of profit, it is submitted for the approval of the EGM of April 28 (29), 2022, the resolution on topic 4 of this general meeting regarding the execution of the buyback program for the reduction of company's share capital (Program 5).

In substantiating this proposal, the Board of Directors considered the following relevant matters:

- *The current macroeconomic context*, experiencing the persistence of uncertainty and volatility of asset prices, globally and locally. This context also creates the emergence of investment opportunities, which the Management anticipates for 2022. In this sense, in addition to the undertaken investment efforts, the strategic orientation was also the consolidation of a sufficient liquidity reserve to take advantage of potential investment opportunities;
- *The degree of liquidity of the net profit for 2021*, given that most of the investment gain is represented by the impact of marking to market listed and unlisted holdings (deconsolidated subsidiaries and associates), not actually realized / collected;
- *The relative position of the Company within the investment cycle* (new investments, liquid consumers vs. divestments from assets that are not part of the “core” portfolio): new investment projects being in early stages while the disinvestment / portfolio restructuring process is not completed, being dependent on both the current pandemic context and the low liquidity of non-core holdings listed on BVB;

We restate that SIF Banat-Crișana aims to preserve a balance between the remuneration of shareholders through dividends and the need to finance new investments from reinvested-obtained profit. The strategy of maintaining this balance aims both to increase the long-term investment attractiveness for SIF Banat-Crișana shares, and also to maintain the future development potential of the company, ensuring the long-term sustainable profitability of the business to increase shareholder value. The remuneration of SIF Banat-Crișana’s shareholders is applied for their benefit both by dividend distribution, and by the decision to reinvest the profit or to repurchase the equity securities, for the stated purpose of increasing shares’ value.

NOTE: *The voting papers and the special empowerment forms contain both above-mentioned options for the distribution of profit. Shareholders may opt to vote for one of the two options.*

Bogdan-Alexandru DRĂGOI
Chairman of the Board of Directors