

TOPIC 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. 153¹⁸ par. 2).

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

At the same time, 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 Board of Directors has approved the remuneration policy to ensure that the remuneration of the company's personnel is in line with and promotes a sound and efficient risk management and does not encourage taking risks that are in contradiction with the risk profile and with the company's articles of association.

The remuneration policy and practices apply to the management of the company and to the categories of personnel whose professional activities have a significant impact on the risk profile of SIF Banat-Crişana. The remuneration policy and practices are subject to an internal evaluation at least annually, and the changes that will be made will consider the economic context, the activity of the company, as well as its strategy and objectives.

The main principles the remuneration policy is based on:

- 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-Crişana, as well as investor interests, including measures to avoid conflicts of interest;
- the remuneration of personnel holding control functions is made according to the achievement of the objectives related to their functions, independent of the results of the commercial sectors they control;
- performance-based remuneration is calculated based on an evaluation that combines the individual performance and the operational unit concerned and the overall results of the Company;
- there is an adequate balance between the fixed and the variable component of the total remuneration, and the fixed component represents a sufficiently large

percentage of the total remuneration to allow the implementation of a flexible policy regarding the variable components of the remuneration, including the possibility of not paying the variable component of remuneration;

- 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 the performance of the operational unit within the Company and the respective person;
- 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-Crişana.

The monthly remuneration of the members of the Board of Directors (administrators) is set by the general meeting of SIF Banat-Crişana's shareholders of. The additional remuneration of the administrators shall not exceed the general limits approved by the general meeting of the shareholders.

Directors' remuneration may consist of a fixed component and a variable component. All the remuneration of the directors must be within the general limits of the remuneration and of the budget approved by the ordinary general meeting of the shareholders of SIF Banat-Crişana.

The Ordinary General Meeting of Shareholders held on April 22, 2019, approved the reduction of 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.

The Board of Directors submits for the approval of the general meeting of shareholders maintaining 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