

Memo on Fondul Proprietatea's financial auditor appointment for the financial year ended 31 December 2021

According to Financial Supervisory ("FSA") Norm no. 13/2019 on the framework for statutory audit of the entities authorised, regulated and supervised by the FSA (FSA Norm 13/2019), the audit period of an entity by the same financial auditor is of maximum 5 consecutive years, period which may be extended only once by the FSA for a maximum period of 2 years at the request of the audited entity accompanied by an argumentation in this respect.

Considering all legal requirements related to audit services (both European and local regulations), as well as the correspondence with the FSA on the interpretation of the maximum 5-year audit period, the last financial year available for Deloitte as auditor was the one ending on 31 December 2020. Consequently, during the meetings held on 3 April 2019 and 27 June 2019, the Audit and Valuation Committee of the Fund recommended and the Board of Nominees approved in principle the following:

- The appointment of Deloitte Audit SRL as the financial auditor of the Fund for the financial year ended **31 December 2020**. This was approved by shareholders during the General Shareholders Meeting held on 4 September 2019;
- The appointment of Deloitte Audit SRL as the financial auditor of the Fund for the period **1 January 2021 - 31 December 2022**, subject to FSA approval. On 6 June 2019 the Fund submitted to the FSA the request for the extension.

On 20 February 2020, the Fund received the FSA letter DRA 3027.11/20.02.2020, containing an updated interpretation from FSA regarding the maximum 5-year period. According to this letter, the period should be calculated from 1 January 2015 until 31 December 2019.

The Fund also received the FSA Decision 205/20.02.2020 regarding the approval of the extension of Deloitte Audit SRL maximum audit period of 5 years with additional 2 years, until 31 December 2021.

During the meeting held on 25 February 2020, the Audit and Valuation Committee of the Fund analysed the new information received, including the FSA's decision, and recommended the Board of Nominees the appointment of Deloitte Audit SRL as financial auditor of the Fund for the financial year ended 31 December 2021.

As a result, the Board of Nominees submitted for the approval of the Fund's General Shareholders Meeting on 28 April 2020 the appointment of Deloitte Audit SRL as the financial auditor of the Fund for the audit of the financial statements **for the financial year ended 31 December 2021, setting the duration of the financial audit agreement for the period starting with 31 August 2021 and until 30 June 2022** and the level of its remuneration at a maximum level (without VAT) of EUR 80,000 + GBP 9,800.

According to FSA Norm no. 13/2019, after the maximum 7 consecutive year period ending on 31 December 2021 Deloitte Audit SRL could not be reappointed as the financial auditor of the Fund for a minimum period of 2 years.