

No. 15/12.01.2023

To the Ordinary General Meeting of Shareholders

Note on the appointment of the financial auditor of OIL TERMINAL S.A.

OIL TERMINAL S.A. is obliged to contract statutory audit services according to the following legal provisions:

- Company law no.31/1990:
 - o art.111 para. (1), *"The Ordinary General Meeting shall meet at least once a year, not later than 5 months after the end of the financial year" (...)* para. (2) *"In addition to debating other matters on the agenda, the general meeting is required:" (...)* b1) *in the case of companies whose financial statements are audited, to appoint or dismiss the financial auditor and to fix the minimum duration of the financial audit contract"*.
 - o Art.160 para. (1) *"the financial statements of companies subject to the legal obligation to audit shall be audited by financial auditors - physical and legal persons - under the conditions provided for by law"*.
- Accounting Law no.82/1991:
 - Article 34(1): *"The annual financial statements of legal entities of public interest are subject to statutory audit, which is carried out by authorized financial auditors, under the terms of the law, or authorized audit firms, under the terms of the law. "*
- Law No 24/2017 on issuers of financial instruments and market operations:
 - Article 65(4): *„Financial statements, including consolidated financial statements, of issuers are audited by financial auditors/audit firms in accordance with the regulations on financial audit activity."*
 - Article 108(5): *"Where significant transactions have been concluded, at the end of each half-year, the financial auditor/audit firm shall review the transactions reported during that half-year in accordance with paragraph 1. (1) and shall, not later than 30 days after the end of the reporting period, prepare a report assessing whether the transaction is fair and justified from the point of view of the issuer and non-affiliated shareholders, including minority shareholders, and explaining the assumptions on which it is based and the methods used."*
 - Article 108(6) *The report referred to in paragraph 1 shall include the following information (5) shall state, where applicable, including whether the transaction price, in conjunction with the rights and obligations assumed by the parties, is fair by reference to other offers on the market. Where transactions are not at market price, the reasons for the deviation and the pricing policies shall be stated."*
 - Art. 110 *"The financial statements and those on the operations of issuers whose securities are admitted to trading on a regulated market shall be prepared in accordance with the specific applicable requirements and shall be audited by financial auditors/audit firms, authorised/authorised in accordance with the provisions of Law*

no. 162/2017 on statutory audit of annual financial statements and consolidated annual financial statements and amending certain regulatory acts, as amended, members of the Romanian Chamber of Financial Auditors".

- Art.111(1) „*Financial auditor/Audit firm:*
 - *a) prepares a financial audit report in accordance with the auditing standards issued by the Chamber of Financial Auditors of Romania;*
 - *b) prepare, within 30 days, on the basis of the information submitted by the directors, additional reports, in accordance with the financial auditing standards and the reporting framework defined by the international accounting standards and by the A.S.F. regulations, on the operations claimed by the shareholders representing at least 5% of the total voting rights. Directors are obliged to provide the auditors with all information requested. The supplementary report is made public on the A.S.F. website;*
 - *c) provide additional services, subject to compliance with the principle of independence*
- report on specific information resulting from the application of the provisions of Article 107 (7).
- Law No. 162/2017 on statutory audit of financial statements and consolidated annual financial statements and amending some normative acts:
 - Art. 62 para. (1) *"The financial auditor or audit firm shall be appointed by the general meeting of shareholders or associates of the audited entity. The statutory audit shall be carried out on the basis of the statutory audit contract which shall be concluded in writing after the date of appointment of the financial auditor or audit firm by the general meeting of shareholders or members of the audited entity. "*
 - Article 65 (6) (f) *"The Audit Committee shall have, inter alia, the following duties : "be responsible for the procedure for the selection of the financial auditor or audit firm and recommend to the general meeting of shareholders/members of the administrative or supervisory body the financial auditor or audit firm(s) to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless Article 16 para. (8) of Regulation (EU) No 537/2014."*
- GEO 109/2011 on corporate governance:
 - art.47 para.(1) *"The financial statements of public undertakings shall be subject to statutory audit, which shall be carried out by statutory auditors, natural or legal persons authorised by law.*
 - Art. 47(11) *"Statutory auditors shall be appointed before the end of the financial year by the general meeting of shareholders and, in the case of autonomous companies, by the board of directors, for a minimum period of 3 years".*
- OMFP no.2844/2016 for the approval of Accounting Regulations in line with International Financial Reporting Standards:
 - art.7 para. (1) *"The individual annual financial statements prepared by entities on the basis of accounting regulations compliant with IASB are subject to statutory audit, according to the law".*

In addition, the statutory auditor may issue further additional reports upon request, as provided for in Article 144 of Regulation 5/2018 on issuers of financial instruments and market operations, and Article 11 of Regulation (EU) No 537 /2014 of the European Parliament and of the Council of the European Union of 16 April 2014 on specific requirements concerning statutory audit of public interest entities and repealing Commission Decision 2005/909/EC,: „Supplementary report to the audit committee (1)Statutory auditors or audit firms carrying out statutory audits of public interest entities

shall submit a supplementary report to the audit committee of the audited entity ...

Thus, given the following:

- according to Article 47, para. (1¹) of the O.U.G. no. 109/2019 with subsequent amendments and additions, "*Statutory auditors are appointed before the end of the financial year by the general meeting of shareholders, and in the case of autonomous companies by the board of directors, for a minimum period of 3 years*".
- The financial auditor of the Company, the firm TRANSILVANIA AUDIT & FISCALITY, appointed by the General Meeting of Shareholders by the AGM Resolution no. 3 dated 05.03.2020 for a period of three years, ceases its activity on 10.03.2023 according to the audit contract concluded between the parties.
- Based on the Internal Procurement Regulations, the company has conducted the procurement procedure for statutory financial audit and similar services for the years 2023, 2024 and 2025. The Evaluation Committee appointed by Management Decision No. 394 /16.12.2022 analysed the 3 (three) bids submitted and designated the winning audit firm TRANSILVANIA AUDIT & FISCALITY, with the price of 234. 600,00 lei lei excluding VAT, for all the services in the contract (Statutory audit services of the annual financial statements, Quarterly review services of the simplified interim financial statements quarter I, Quarterly review services of the simplified interim financial statements quarter II, Quarterly review services of the simplified interim financial statements quarter III, Other reports) , for a period of 3 years, i.e. 78. The results of the award procedure were presented to the Audit Committee, which recommended to the Board of Directors the appointment of TRANSILVANIA AUDIT & FISCALITY as the financial auditor of Oil Terminal for a period of 3 years (2023, 2024, 2025). By _12.2023 the Board of Directors endorsed the proposal of the Audit Committee
- Article 62 of the Law No. 162/2017 on statutory audit of financial statements and consolidated annual financial statements and amending some normative acts: "*(1) The financial auditor or audit firm is appointed by the general meeting of shareholders or associates of the audited entity. The statutory audit shall be carried out on the basis of the statutory audit contract which shall be concluded in written form after the date of appointment of the financial auditor or audit firm by the general meeting of shareholders or associates of the audited entity. "*
- Art. 111, para. (2) of the *Companies Law no. 31/1990*, "*the general meeting is obliged: [...] b¹) in the case of companies whose financial statements are audited, to appoint or dismiss the financial auditor and to fix the minimum duration of the financial audit contract*".

Considering the above, we submit the following to the approval of the Ordinary General Meeting of Shareholders:

1. The revocation of TRANSILVANIA AUDIT & FISCALITY as statutory financial auditor of the company, following the expiry of the contract term.
2. The appointment of Transilvania Audit & Fiscality S.R.L. as the company' statutory financial auditor for a 3 (three) years period (for the years 2023, 2024 and 2025).

Chairman of the Board of Directors

Cristian Florin Gheorghe