

PROVISIONS OF THE AUDIT COMMITTEE

Approved in the BoD meeting from 21.02.2020

This regulation is drawn up based on the provisions of ASF Norm no. 13/2019 on the unitary framework for carrying out the statutory audit at the entities authorized, regulated and supervised by the Financial Supervisory Authority, of the FSA Norm no. 27/2019.

Organization

The audit committee of BRK Financial Group consists of at least two non-executive members of the Board of Directors, appointed on the Board's decision.

The composition of the audit committee, as well as any changes made will be submitted to the A.S.F. within 15 days from the establishment's date or from the date of modification of its composition.

The financial auditor or audit firm has an obligation to report the essential aspects resulting from the statutory audit and, in particular, on significant deficiencies of internal control over financial reporting practices, to the audit committee,

Most members of the audit committee must be independent of the company. The chairman of the audit committee is appointed by its members or by the board of directors and is independent of the audited entity.

Duties of the audit committee

- a) Inform the administrator or the members of the board, as the case may be, about the results of the statutory audit and explain how it contributed to the integrity of the financial reporting and what the committee's role was in that process.
- b) Monitor the financial reporting process and submits recommendations or proposals to ensure its integrity;
- c) Monitor the effectiveness of the entity's internal quality control systems and risk management systems and, as the case may be, of the internal audit regarding the financial reporting, without violating its independence;
- d) Monitor the audit of the annual financial statements and the consolidated annual financial statements, in particular its performance, taking into account the findings and conclusions of the competent authority, in accordance with the relevant regulations in force;
- e) Is responsible for the selection procedure of the financial auditor or the audit firm and recommends the appointment in accordance with the relevant regulations in force;
- f) Evaluates and monitors the independence of the financial auditors or audit firms in accordance with the relevant regulations in force.

The activity of the audit committee

The audit committee will meet whenever deemed necessary, at least twice a year, to review the audit report and / or the financial auditor's opinion on key issues arising from the financial audit, as well as on the financial audit, financial reporting process and will recommend the necessary measures.

The audit committee will be responsible for the follow-up process and will include at least: implementation deadline, structure / person responsible for remediation / implementation, status of implementation of the recommendation.

The meetings of the Committee can be physical, through email or in the teleconference system. The meetings will be organized before discussing the issues within the competence of this Committee, registered on the agenda of the Board of Directors.

A report will be drawn up, that will include the conclusions and the proposed measures / recommendations.

Other employees of the company may be invited to the meetings of the Committee.

The annual report of the audit committee, signed by its members, will be forwarded to the A.S.F. within 6 months from the end of the financial year.

Final provisions

These Regulations are approved by decision of the Board of Directors of the Company. Any modification of its provisions is subject to the approval of the Board of Directors of the Company.