

## MED LIFE S.A.'S BOARD OF DIRECTORS NOTE

### Ref. The appointment of the Company's Financial Auditor – item 1 on the Company's Ordinary General Shareholders' Meeting convened for 29/30.09.2021 Agenda

In the Ordinary General Shareholders' Meeting of Med Life S.A., a joint stock company administrated in a one tier system management and functioning according to Romanian laws, with its registered headquarters in Bucharest, 365 Griviței Way, 1st District, registered with Bucharest Trade Registry Office under no. J40/3709/1996, sole identification number 8422035, with a registered and paid share capital of RON 33,217,623 (**the "Company" or "MedLife"**), convened for 29/30.09.2021 ("**OGSM**") is submitted to approval by the shareholders *the appointment of the financial auditor of the Company, in order to perform the audit of the annual individual and consolidated financial statements of the Company, related to the financial years that will be ended on 31 December 2021 and 31 December 2022 and the duration of the financial audit agreement.*

#### Whereas:

- According to the dispositions of the Companies Law no. 31/1990, as well as according to the dispositions of art. 9.2. align. d) of the Company's Articles of Association, the Ordinary General Shareholders' Meeting appoints and revokes the financial auditor of the Company and also establishes the minimum duration of the financial audit agreement;
- According to the UE Regulation no. 537/2014 on specific requirements regarding statutory audit of public-interest entities, supplementary specifications have been established in order to appoint statutory auditors or audit companies by public-interest entities;
- The mandate given to the current financial auditor of the Company, Deloitte Audit S.R.L., with its registered headquarters in Bucharest, 4-8 Nicolae Titulescu st., 2nd floor, Deloitte area and 3rd floor, 1st District ("**Deloitte**") has expired when the Company's annual individual and consolidated financial situations' audit processes related to the financial year that ended on 31st December 2020 have been completed;

The Company carried out a selection process, according to the dispositions of Article 16 of EU Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities ("**The Selection Process**"), a process that was coordinated by the Audit Committee.

On 22.07.2021, the announcement regarding the invitation to participate in the Selection Process has been published on the internet page of Med Life S.A., in the Investors Relation/ Press Releases section.

The Selection process took place in two stages:

- (i) Conveying an expression of interest in order to participate in the Selection Process; and

- (ii) Submission of the audit services offers by the audit entities which entered the Selection Process, based on the information and the tender documentation transmitted by the Company to all audit entities which sent an expression of interest.

Following the publication of the announcement regarding the Selection Process, MedLife has received expressions of interest from a number of 4 audit entities. All 4 audit entities have received the relevant tender documentation and had access to the same information that was made available by the Company. Out of the 4 audit entities, only 2 entities have sent offers in order to provide audit services.

The offers have been sent according to the deadline that was indicated and were subsequently analyzed and evaluated based on transparent and non-discriminatory selection criteria that were indicated in the Selection Process.

Based on the two offers which were received during the Selection Process organized according to art. 16 of EU Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities and after thorough evaluation based on the predetermined transparent and non-discriminatory selection criteria, the Audit Committee has analyzed both entities, ERNST & YOUNG ASSURANCE SERVICES S.R.L and KPMG România S.R.L., respectively, and has concluded that both entities meet all selection criteria included in the tender documentation and are deemed to lead the audit mission, **although, specifying that it's justified preference is for ERNST & YOUNG ASSURANCE SERVICES S.R.L., the entity being a leader on Romania market regarding transitions to another auditor (according to the presentation that the entity has made) and also by proposing a more attractive offer, team wise but also financial wise.**

Based on the recommendation and according to the justified preference of the Audit Committee, the Board of Directors of MedLife submits to MedLife OGSM that will take place on 29/30.09.2021's approval the appointment of ERNST & YOUNG ASSURANCE SERVICES S.R.L., in order to perform the audit of the annual individual and consolidated financial statements of the Company, related to the financial years that will be concluded on 31 December 2021 and 31 December 2022, for a contractual period of 2 years.

**In consideration of the aforementioned, the following proposal is being submitted to MedLife OGSM that will take place on 29/30.09.2021:**

*Appointing ERNST & YOUNG ASSURANCE SERVICES S.R.L., with its registered headquarters in Bucharest, 1st District, 15- 17 Ion Mihalache Bvd., Bucharest Tower Center Building, 21st Floor, as financial auditor of the Company, in order to perform the annual individual and consolidated financial statements of the Company, related to the financial years that will be ended on 31 December 2021 and 31 December 2022. The duration of the financial audit agreement will be 2 years.*

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**Mihail Marcu**

Chairman of the Board of Directors