

## **MODEL SERVICE CONTRACT**

### **FINANCIAL AUDIT**

**Nr. .... / date .....**

*Concludet between:*

*[company name], having its registered office at [.....], registered with the Trade Register under no. [.....], tax code [.....], legally represented by Mr. / Mrs. [name], in the capacity of [position], hereinafter referred to as **Beneficiary**, on the one hand,*

*and*

*[company name], having its registered office at [.....], registered with the Trade Register under no. [.....], tax code [.....], financial auditor, member of the Chamber of Financial Auditors of Romania (CAFR) with certificate number [...], legally represented by Mr. / Mrs. [name], in the capacity of Administrator, financial auditor, member of CAFR with certificate number [.....] , hereinafter referred to as the **Provider**, on the other hand,*

*each hereinafter referred to individually as the "**Party**" and collectively as the "**Parties**",*

#### **Article 1 PURPOSE OF THE CONTRACT**

**1.1** *This Service Contract (hereinafter referred to as the "Service Contract") is for the provision by the Provider, for a fee paid by the Beneficiary, of the following financial audit services (hereinafter referred to as the "Services"):*

**1.1.1** *The Provider shall audit, in accordance with International Standards on Auditing ("ISAs"), the complete set of financial statements of the company [.....], for the financial year [ended/coming to end] as at [.....] prepared by the Beneficiary in accordance with [Order of the Minister of Public Finance No. 1802/2014 with subsequent amendments and additions ("OMFP 1802/2014") / International Financial Reporting Standards ("IFRS") / or specify the applicable reporting framework], hereinafter referred to as the "Legal Reporting Framework".*

**1.1.2** *The Provider will present in the Audit Report aspects of the Beneficiary's Directors' Report, which will include, where applicable, the Beneficiary's statement on non-financial information, in accordance with the applicable regulations.*

**1.1.3** *The Provider shall insert, in a separate paragraph in the Audit Report, information on the existence of any inconsistency in the Directors' Report / non-financial information with the financial statements under audit. Such representations by the Provider do not constitute an audit of the Trustees' Report of the Beneficiary.*

**1.1.4** *If the Legal Reporting Framework is OMFP 1802/2014, the Provider must report if, in its opinion:*

- (i) the information included in the Directors' Report is not consistent, in all material respects, with the financial statements for the same financial year;*
- (ii) the Board of Directors' Report does not include, in all material respects, the information required in accordance with the requirements of OMFP 1802/2014; and*
- (iii) based on the knowledge and understanding gained during the audit of the Beneficiary and its environment, identified information in the Trustees' Report that is materially misstated, indicating the nature of the misstatement.*

*The Provider shall include its opinion, as referred to above, in a separate paragraph of the audit report issued on the financial statements referred to in Art. 1.1.1. above.*

**1.1.5** *In accordance with the ISA, the Provider shall communicate in writing, in a timely manner to those charged with governance, significant deficiencies in internal control identified during the audit, as well as other deficiencies in internal control that, in the auditor's judgment, are sufficiently significant to bring them to the attention of management.*

**1.2** *Any change or extension of the scope of the audit that is not covered by this Service Agreement as set out in Article 1.1 (e.g. preparation of an audit report on the financial statements of a unit or division of the Beneficiary, preparation of an audit report on the interim financial statements) is not subject to this Agreement.*

*Any modification or extension of the Provider's responsibilities shall be agreed in writing by an additional deed signed by both parties. Unless otherwise agreed, the terms and conditions of this Contract may also apply to additional works agreed by the parties in an additional deed.*

## **Article 2 AUDIT DESCRIPTION AND PROVIDER'S OBLIGATIONS**

**2.1** *The Provider has a professional responsibility to report to those charged with governance [specify responsible structure] whether, in its opinion, the financial statements present fairly, in all material respects, the financial position of the Beneficiary for the [financial year/period] [ended/coming to an end] as at [December 31, YYYY], and its financial performance for the year then ended, in accordance with [IFRS / OMFP 1802/2014 / specify legal reporting framework ](hereinafter also referred to as the "Audit Report").*

**2.2** *The Services shall be performed in accordance with International Standards on Auditing and shall include such tests/procedures on transactions and/or on the existence, ownership and valuation of assets and liabilities as the Provider deems necessary, appropriate and sufficient, based on its professional judgment. The Provider shall examine the accounting and internal control systems of the Beneficiary so that it can determine whether they are suitable to be used as a basis for preparing the financial statements and whether the Beneficiary has maintained adequate accounting records.*

**2.3** *The Provider shall request and obtain such evidence as it deems sufficient and appropriate to enable it to draw reasonable conclusions. The nature and extent of its audit procedures will vary depending on its own assessment of the Beneficiary's internal control system. In connection with the audit of the financial statements of the Beneficiary, the Provider shall request to be provided in advance with all documents or statements to be issued with them.*

**2.4** *It is the responsibility of the Provider to inform the Beneficiary if it identifies matters that are not consistent with the audited financial statements.*

**2.5** *The Provider's work may vary depending on its findings during the audit as well as on the risk areas initially assessed at the start of the engagement. Accordingly, from period to period, the Provider may alternate areas of focus and may propose certain issues for special consideration as specific circumstances require.*

**2.6** *An audit includes evaluating significant estimates and management's judgments in the preparation of the financial statements and assessing whether the accounting policies are appropriate to the circumstances of the Grantee, consistently applied and adequately disclosed.*

*In forming its opinion, the Provider will also evaluate the overall presentation of the information in the financial statements.*

- 2.7** *Based on the results of the audit, the Provider will prepare an Auditor's Report, which may include an unqualified, qualified, adverse, or no opinion. The Provider may also conclude that it is not possible to issue an Audit Report. If the Provider expresses a qualified or adverse opinion in the Audit Report, or expresses the impossibility of forming an audit opinion, or is unable to issue an audit report, this does not mean that the Provider has failed to fulfill its obligations as auditor.*
- 2.8** *In the event of a qualified, contrary or inability to express an opinion, the Provider shall be entitled to receive the full fee and reimbursement of expenses as set forth in Article 3 of this Contract. If the Auditor is unable to submit an Audit Report, the Provider shall be entitled to receive the fee, including reimbursement of expenses incurred, calculated on the basis of an estimate of the work actually performed up to the date of termination of this Contract.*
- 2.9** *The audit is not necessarily designed to identify all significant deficiencies in the Beneficiary's financial internal control system. However, the Provider shall report in writing to the management of the Beneficiary, following the completion of the audit procedures, those significant deficiencies in the Beneficiary's accounting and internal control systems, or other matters relating to the Beneficiary's operations, which have come to the attention of the Provider in the normal course of the audit work and which, in the opinion of the Provider, require the attention of management.*
- 2.10** *No report or other material prepared by the Provider may be made available to any third party, in whole or in part, without the prior written consent of the Provider. Such consent may be obtained unconditionally, conditionally, or withheld at the discretion of the Provider in accordance with applicable law; in any event, the Parties expressly agree that such Reports/Materials are prepared without regard to the interest of anyone other than the Recipient and that the Provider assumes no responsibility or liability of any kind to any other party.*
- 2.11** *The analysis of the accounting and internal control systems of the Beneficiary is carried out only to the extent necessary to assess the audit risk in order to express an opinion on the financial statements of the Beneficiary; therefore, the Provider's comments on these systems cannot identify all the improvements that might be suggested by a particular in-depth analysis.*
- 2.12** *The Audit Reports and the reports referred to in this Article 2 shall be drawn up in [specify Romanian/English/other language]. If the Reports are also drawn up in languages other than Romanian, the Audit Report shall include in the content the statement "If the Audit Report is to be drawn up bilingually, the report in Romanian shall prevail in any case".*
- 2.13** *The Provider may use the services of its consultants, or of other audit firms or their consultants, if deemed necessary by the Provider.*

### **Article 3 PROVIDER'S FEES**

- 3.1** *The Beneficiary shall pay the Provider the agreed fee. The Provider's fee has been estimated according to the number of hours to be worked by the staff involved in the audit, the complexity of the engagement, the level of training of the audit team and its responsibilities.*
- 3.2** *Based on the foregoing, the Parties agree to set the Provider's fee for the services set out in this Contract at [amount to be specified] Lei [against the value of Euro ("EUR")]. The said fee shall include/not include VAT.*

- 3.3 *The fee assumes full access to the requested information and full cooperation from the management and staff of the Beneficiary, the existence of adequate accounting records, and the full readiness of the Beneficiary's management to respond promptly and in detail to requests for the submission of the requested information necessary to complete the audit within the agreed timeframe.*
- 3.4 *If, during the course of the audit, it is found that the assumptions taken into account when establishing the fee are no longer valid, the Provider shall immediately inform the Beneficiary and an appropriate adjustment of the aforementioned fee shall be agreed. This adjustment will be based on the additional time required to provide the services. For example, in the event that the management and/or staff of the Beneficiary do not respond to the Provider's requests in an appropriate manner, or unusual events occur, such as a significant delay in providing information, limited access to the Beneficiary's management and/or staff or difficulties in obtaining documents required for the audit work, the Provider shall immediately discuss with the Beneficiary the consequences in terms of the timeframe for the provision of the services and the fee.*
- 3.5 *The agreed fee [does not include / include] the expenses incurred by the audit team's travel, unless otherwise provided for in the Contract. The Beneficiary agrees to pay to the Provider reasonably determined ancillary expenses in connection with the services contracted hereunder.*
- 3.6 *Include the invoicing method specific to your firm's invoicing policy. [e.g.: Invoices will be issued in Ron, at the beginning of each stage of the project, as planned in the Mission Letter / Financial Offer attached to this contract.]*
- 3.7 *Our invoices are payable within [.....] working days from the date of invoice by the Provider. The Final Audit Report will be issued only upon proof of payment of invoices to the Provider's account and receipt of the original Management Declaration (ISA 580), signed in manuscript by (specify person(s) ...), responsible for governance.*
- 3.8 *In the event of failure by the Beneficiary to make payments on the due date in accordance with this Article, the Beneficiary may be put in default without any further formality and may pay from the due date, at the request of the Executor, late payment penalties of (Ex 0.2 % ) per day of delay of the amount of the outstanding amounts. In this context, the Provider may decide to postpone the issuance of the Final report to the Beneficiary until the outstanding amounts have been received.*
- 3.9 *The amount of penalties for late payment may not exceed the amount due.*
- 3.10 *Payment is deemed to have been made on the date of crediting the Provider's bank account.*
- 3.11 *Payments made will extinguish debts in the order of their age (chronologically) irrespective of the entries on the payment order or receipt.*
- 3.12 *Any other activities carried out by the Provider at the request of the Beneficiary, related to other objectives, which are not provided for in the Contract, shall be agreed by means of an additional act to this Contract.*

#### **Article 4 USE OF AUDIT OPINION / AUDIT REPORT**

- 4.1 *The Provider's audit report is prepared to be used exclusively by ..... (those to whom it is addressed). The audit will not be planned or conducted with the view that any third party may rely*

on the Audit Report, nor with reference to a specific transaction. The Provider assumes no responsibility of any kind towards any third party to whom the audit opinion/Audit Report (or any information contained therein) may be made available or come into possession. Therefore, possible elements of interest to third parties will not be expressly addressed and there may be elements that a third party would value differently, possibly in relation to certain transactions.

- 4.2 The Beneficiary's management agrees that the audit opinion of the Provider, and any reference to it, shall not be included in external, public documents, without the prior written consent of the Provider.
- 4.3 The documents drawn up by the Beneficiary for publication, including to be posted on websites, and which refer to the Provider or which contain the audited financial statements or extracted from them, including translations, **will not be published without the prior express consent of the Provider**. This consent can be granted by the Provider after the review for compliance with the audited financial statements of all the relevant material that will be published.
- 4.4 After obtaining approval from the Provider, the Beneficiary may publish, disclose or make available to third parties, according to this agreement, the documents/reports/opinions drawn up by the Provider only in full and in the form received from the Provider. The Beneficiary expressly undertakes that, except in cases where the law provides otherwise or the Provider allows otherwise in writing, any publication, disclosure or transmission to third parties of the reports/opinions drawn up by the Provider based on this Agreement expressly stipulates that no third party will be able to rely on the Report/opinion of the Provider, these being addressed exclusively to the entities/persons expressly mentioned in the audit report. The Beneficiary's obligations in this article will remain in force for an **unlimited/limited period of [ ..] years** after the termination of the Contract.
- 4.5 By way of derogation from any contrary provision in the Contract, the Beneficiary shall have the right to submit the Audit Report to the competent institutions/authorities, **only when there is a legal obligation in this regard for the Beneficiary**. Thus, the Beneficiary will be able to provide the audit report only to the extent necessary to fulfill its legal obligations and can only transmit it in full, in the final form received from the Provider and together with the audited financial statements to which it refers. In this case, the Beneficiary will notify the Provider in writing of the institution / competent authority to which the Audit Report was sent, according to this paragraph.
- 4.6 If the Beneficiary does not notify the Provider in writing that the Audit Report has been published together with the financial statements, the Beneficiary will bear any damages/damages brought to the financial auditor as a result of non-compliance with this communication obligation.

## **Article 5 METHOD OF CONTRACTUAL COMMUNICATION**

- 5.1 All notifications, correspondence and communications based on this Agreement shall be made in writing, with confirmation of receipt and shall be sent to the following addresses :
- **for Beneficiary:** [contact person / position], address: [.....], fax [.....], telephone [.....], email [.....]
  - **for Provider:** [contact person / position], address: [.....], fax [.....], telephone [.....], email [.....]
- 5.2 Any change in the above addresses/fax numbers shall be notified in writing to the other party as soon as possible but not later than 5 days from the date on which the change in question becomes applicable; otherwise, the communications/notices sent to the original address/fax number will be

countervailable to the party who fails to fulfill the obligation mentioned above. Verbal communications will only be valid if confirmed in writing.

- 5.3 During the provision of the services, the parties may wish to communicate electronically using the e-mail addresses mentioned in the Contract or agreed upon after signing this contract. However, the transmission of information electronically cannot be guaranteed to be secure or error-free, and such information may be infected, intercepted, altered, lost, destroyed, stolen, delayed or otherwise adversely affected, incomplete or unreliable for use.
- 5.4 In this regard, each Party agrees to use commercially reasonable procedures to perform checks in relation to the most known viruses at that time, as well as to verify the integrity of such data before transmitting information electronically to the other Party. It is the responsibility of the party receiving information electronically from the other party to perform an attachment check for viruses before accessing any document in electronic format, regardless of the medium on which it is received.

## **Articolul 6 DURATA CONTRACTULUI ȘI MANIERA DE DERULARE**

- 6.1 This Contract enters into force from the date of its signature by both Parties and is valid until the issuance of the audit report agreed by this contract, in compliance with the clauses provided for in Art.3 - "PROVIDER'S FEES".
- 6.2 The Provider will plan and carry out the audit activities in agreement with the Beneficiary and taking into account the Beneficiary's requirements and ability to provide the necessary information.
- 6.3 The parties shall agree the start and end dates of each agreed mission in order to plan the mission, and both parties shall make all reasonable efforts to comply with the established deadlines.

## **Article 7 OBLIGATIONS OF THE CONTRACTING PARTIES**

- 7.1 The Beneficiary's management is responsible for the preparation and faithful presentation of the financial statements for the [financial year/period] [ended/ending] on 31 December YYYY] in accordance with ["IFRS/OMFP 1802/2014 / state the applicable legal reporting framework"]. This responsibility includes: designing, implementing and maintaining an internal control relevant for the preparation and faithful presentation of financial statements that do not contain significant distortions, due to fraud or errors; selecting and applying appropriate accounting policies and making credible accounting estimates in the given circumstances.
- 7.2 The audit of the financial statements does not exempt the management from this responsibility. The management is also responsible for making available to the Provider, in the form and at the requested time, all the accounting records of the Beneficiary, all other relevant records, including the minutes and respectively the decisions taken in all meetings/meetings of the management and of the associates/shareholders of the Beneficiary, as well as the information and explanations that the Provider considers necessary in order to fulfill its duties as an auditor.
- 7.3 The information used by the Beneficiary's management to prepare the financial statements will invariably include facts or assessments that are not highlighted in the accounting. As part of the Provider's usual audit procedures, the Beneficiary's management will be requested to confirm in writing those facts or assessments, as well as any other verbal statements that the Provider receives from management during the audit regarding matters that have a significant effect on the financial statements. Also, the Provider will request written confirmation from the Beneficiary's management that all important and relevant information has been brought to his attention. The Beneficiary

*undertakes to respond, correctly and in the requested form and term, to all requests of the Provider according to this paragraph (according to ISA 580).*

- 7.4** *The Beneficiary is responsible for protecting its assets, for maintaining adequate internal controls and for preventing and detecting misappropriation of funds, fraud and irregularities, errors and non-compliance with legislation and regulations.*
- 7.5** *The Provider will take care to plan its audit so that it can reasonably detect material misstatements in the financial statements or accounting records (including any material misstatements resulting from misappropriation of funds, fraud and irregularities, errors and non-compliance with legislation and regulations), but its examination cannot be considered to be able to detect all such material misstatements or fraud, errors or cases of non-compliance with legislation and regulations. If, during its examination, the Provider discovers misappropriation of funds, fraud and irregularities, errors and cases of non-compliance with applicable accounting legislation and regulations, it will report them to those responsible for the Beneficiary's governance.*
- 7.6** *If such issues are identified, it may also be necessary to report them externally in accordance with current legislative requirements. The Provider will not disclose the information provided by the Beneficiary to any third party, unless expressly authorized by the Beneficiary or required by law. If a government or supervisory authority requests access to the data, the Provider will be able to inform the Beneficiary before disclosure, unless this is prohibited by law, such as in the case of legislation relating to the prevention and combating of money laundering and the financing of terrorism.*
- 7.7** *The Beneficiary's management is responsible for ensuring that it fully complies with Romanian tax legislation in terms of the preparation and submission of tax returns by the legal deadlines, as well as in terms of the payment of taxes, fees and contributions when due. The objective of the Provider's examination of the Beneficiary's fiscal situation during the audit is to obtain evidence that the amounts related to the fiscal account balances recorded in the Beneficiary's financial statements are not significantly distorted in relation to the financial statements taken as a whole. The purpose of the Services provided is not to discover all the errors or omissions that may exist in the Beneficiary's tax position, in general, or on certain types of tax, in particular.*
- 7.8** *The Provider does not assume any responsibility of any kind in relation to any consequence that could result from the Beneficiary's non-compliance with fiscal regulations which (regardless of whether or not they are highlighted by the Provider's activity) in his opinion do not affect the faithful general presentation of the financial statements.*
- 7.9** *The Beneficiary undertakes to pay correctly and on time the fee and the amounts invoiced by the Provider under the Contract.*
- 7.10** *In order for the Provider to be able to carry out its activity efficiently and properly and to be able to fulfill its obligations on time, the Beneficiary undertakes to provide the Provider with all relevant documents and information considered by the Provider to be sufficient for the audit. In this regard, the Beneficiary undertakes to make available to the Provider, as requested by him, all his accounting documents, analyzes and documentation related to the selected accounts and transactions, and any other documents or acts of the Beneficiary, including all the minutes and decisions of all General Meetings of Shareholders / [Associates] and the Board of Directors / [to be completed with other relevant councils/committees/commissions], as well as the information and explanations necessary to achieve the object of this contract.*
- 7.11** *The Beneficiary undertakes to allow the Provider timely access to all documents or statements that accompany the financial statements.*

- 7.12** *The Beneficiary undertakes to ensure the availability of its personnel to assist the Provider in the provision of services, to ensure that key personnel, including the chief accountant and financial director, are available during the audit, and to provide the Provider with unlimited access to persons within the Beneficiary's organization from whom the Provider considers it necessary and relevant to obtain audit evidence.*
- 7.13** *The provider will be able to subcontract, if deemed necessary, in whole or in part, the services contracted according to this contract, in compliance with the agreed terms and conditions.*
- 7.14** *Also, the Provider may associate with another financial auditor to perform the services provided for in Art. 1 "Object of the contract". In this situation, the financial auditor who will sign the audit report is the Provider, and the responsibility to the Beneficiary for the services provided according to the Contract will be that of the Provider. The Provider will inform the Beneficiary of the data of the associate/associates, if the Beneficiary requests this.*
- 7.15** *In order to fulfill his duties, the Beneficiary will provide the Service Provider with adequate working spaces, secured and with internet access, at the Beneficiary's premises.*
- 7.16** *The Beneficiary undertakes to comply with the work schedule and meeting calendar that will be agreed together with the Provider's employees. They may be modified with the consent of both parties. The Provider undertakes to respect the schedule agreed with the Beneficiary and the work schedule of its employees, within the framework of the agreed mission.*
- 7.17** *The Beneficiary understands and accepts that the Provider's ability to provide the Services and fulfill its contractual obligations correctly and on time depends essentially on the way the Beneficiary performs its own contractual obligations.*
- 7.18** *The Beneficiary understands and accepts that, in case he violates any of the mentioned contractual obligations through non-fulfillment, late fulfillment or improper fulfillment, the Provider may delay or suspend, in whole or in part, the execution of his obligations assumed by this Contract, following a simple notification to the Beneficiary.*
- 7.19** *In such a case, the Provider will be entitled to an increase in the fee for the additional work performed as a result of these violations and will be able to resume the execution of its obligations after the Beneficiary has properly fulfilled the respective obligation or after the Beneficiary has removed the cause of the respective delay or suspension, and in any case after the Provider will have the necessary resources for this purpose.*

## **Article 8 LIMITATION OF PROVIDER'S LIABILITY**

- 8.1** *Like many professional organizations, the Provider's standard practice is to introduce a liability limitation clause in its contracts. The Provider will do all the diligence to meet the Beneficiary's expectations. However, by way of derogation from any contrary provision in this Agreement, the Beneficiary understands and accepts that, to the maximum extent permitted by law, in no case the total liability (resulting from all demands and claims of any kind, actions and proceedings of any kind, etc.) of the Provider, its partners or employees, or its subcontractors, whether contractual or otherwise, in relation to this Agreement (or any amendment or addition thereof), may not exceed the value of the audit fee established in the Contract - for the audit of the financial statements of companies that are not included in the category of public entities [CAN BE COMPLETED WITH: or the value of "x" of the audit fee established in the Contract - for the financial audit of entities of public interest (PIE)], paid for the services in connection with which the reasons for engaging the*



*Provider's liability arose, except in cases of intent or serious fault of the Provider, established by a court decision.*

- 8.2** *The Beneficiary, by signing this Contract, expressly accepts that this article establishes the absolute limit of the Provider's liability according to the Contract or in connection with it, and that any other liability is expressly excluded.*
- 8.3** *In no case shall the Provider be liable in any way for any loss, damage, cost, injury or expense of any nature resulting in any way from, or in connection with acts of negligence or omission, fraud, or untrue or erroneous statements or deliberate illegal conduct of the Beneficiary, or of its management or of any other affiliated entity. The Beneficiary bears full responsibility for the integrity and legality, as well as for the veracity and accuracy of the information and documents received by the Provider from the Beneficiary or on behalf of the latter, as the Provider will not carry out any verification/analysis of them that exceeds the scope of audit services.*
- 8.4** *The activity carried out by the Provider for the preparation of the audit report will include the testing of some samples of significant transactions and balances. Significant means "an event or a transaction that could influence the economic decisions of users". Therefore, testing may not identify all errors in the Beneficiary's accounting records.*
- 8.5** *The Provider will not be liable in any case for the calculation of the adjustments/changes that could be made by the Beneficiary in order to comply with the recommendations of the legal provisions, the Client understanding that this is his exclusive task and responsibility. Also, the Provider will not be liable in any case for any adjustments to the taxes and charges that fall to the Beneficiary, brought by the tax authorities as a result of their verification and which are related to the financial period audited by the Provider.*
- 8.6** *The Beneficiary, by signing this Contract, agrees and undertakes not to hold the Provider responsible and to compensate him for all damages, obligations, losses, damages, costs, etc. of any nature suffered by him as a result of any demands, claims, actions, etc. of any kind from any third parties in connection with this Contract and/or with the services or Reports of the Provider executed on the basis of this, except for those resulting from the intent or serious fault of the Provider in the performance of its contractual duties.*
- 8.7** *Any opinions or reports expressed verbally or in working/DRAFT or preliminary version that the Provider may provide do not constitute definitive opinions or conclusions. The Provider will be liable to the Beneficiary exclusively with regard to the FINAL version of the Audit Report containing the opinion and conclusion of the audit team.*
- 8.8** *Both parties agree that no action by the Beneficiary, its supervisory bodies or its shareholders, if applicable, resulting from the non-execution or improper or delayed execution of this Contract will not be brought directly against the employees, partners, legal representatives or supervisory bodies of the Provider, before informing the Provider in advance. This prohibition does not prejudice the Beneficiary's rights to submit claims for compensation, if applicable, against the Provider.*

## **Article 9      OTHER OBLIGATIONS**

- 9.1** *After issuing the FINAL audit report, the Provider no longer has any direct responsibility regarding the financial statements for the respective [financial year/period]. The Beneficiary will inform the Service Provider of any significant event that occurs between the date of the Service Provider's report and the date of publication of the financial statements and*

which may affect the financial statements, and the Service Provider will apply the provisions of the applicable International Auditing Standards (ISA).

- 9.2** *Based on this Contract, for reasons related to the observance of the principles of independence of the auditor, the Beneficiary undertakes not to make any employment offer and not to conclude any contract with any current or former employee or subcontractor of the Provider who participated in the audit of the Beneficiary's financial statements, for a period of one year from the date of the Audit Report, without the prior written consent of the Provider.*
- 9.3** *In case of breach of this obligation, the Beneficiary undertakes to pay the Provider as a penalty for non-compliance with the said obligation an amount equal to the total cost/amounts paid by the Provider, directly or indirectly, in connection with the contract between the Provider and the person in question in the last two years in which the contract was in force. Termination for any reason of the Contract will not affect the validity of the provisions of this Contract.*

## **Article 10      OTHER SERVICES**

- 10.1** *Services related to tax consultancy are not part of the scope of applicability of this Agreement.*
- 10.2** *During the audit mission, it will not be considered under any circumstances that the Provider has or will have knowledge of the information provided to other members of the Provider's network, employees, representatives, etc. of them, who are not involved in the audit (for example, information provided in connection with business consulting services, tax consulting or other services).*
- 10.3** *During the audit mission, it will not be considered under any circumstances that the Provider has or will have knowledge of the information provided to other members of the Provider's network, employees, representatives, etc. of them, who are not involved in the audit (for example, information provided in connection with business consulting services, tax consulting or other services).*

## **Article 11      INTELLECTUAL PROPERTY RIGHTS**

- 11.1** *The working documents and files of this commitment created by the Provider during the audit, including documents or files on electronic media, are the exclusive property of the Provider.*
- 11.2** *The intellectual property rights over the reports and materials prepared on the basis of this Agreement arise and remain in the Provider's patrimony, even after the payment of the fees provided for in Article 3 of the Service Provision Agreement.*
- 11.3** *The provider may create or use computer programs, including spreadsheets, documents, databases and other tools on electronic media to be useful for his project. In some cases these instruments can be offered to the Beneficiary upon request. Since these tools are created by the Provider especially for its own purposes and without considering a specific purpose in which they could be used by the Beneficiary, they can be made available "as is" only for the use of the Beneficiary and must not be distributed or made known to any third party. In addition, the Provider does not provide any guarantee or statement that would confirm the fact that the computer programs are sufficient or suitable for any purpose in which they could be used by the Beneficiary. Any computer program created specifically for the Beneficiary's use will be the subject of a separate contract.*
- 11.4** *The provisions of this article will remain in effect indefinitely after termination of the Contract for any reason.*

- 12.1** *The provider ensures that all its employees / subcontractors / team members will strictly comply with the Code of Ethics of accounting professionals issued by IESBA and adopted by ASPAAS, in its capacity as responsible authority. Therefore, both the Provider and its employees will treat as strictly confidential all information obtained during the performance of their professional obligations. This confidentiality clause will continue in effect for [two] years after the termination of this Agreement.*
- 12.2** *Based on the contractual relationship with the Beneficiary, including any provision of this Agreement, the Provider will not be prohibited from providing services for the benefit of other clients and will not be restricted in this regard. The Provider's standard internal control procedures are intended to ensure the confidentiality of the information communicated to it during the engagement. The Provider has discussed these procedures with the Beneficiary and the Beneficiary agrees that the procedures are sufficient and appropriate for this Contract.*
- 12.3** *Confidentiality obligations will not apply to information that:*
- i. are legally known by the Provider before they were presented to him by the Beneficiary;*
  - ii. are brought to the attention of any other person or entity by the Beneficiary, without any restriction;*
  - iii. are produced independently by the Provider without using or relying on confidential information;*
  - iv. are or become public, without violating the obligation of confidentiality, or are requested according to Romanian law, Romanian law being applicable in any situation;*
  - v. can be legally obtained by the Provider from any third party.*
- 12.4** *The disclosure of any information collected during the provision of the services that are the subject of this Contract will also be possible in the following cases:*
- I. The Provider may communicate information collected during the provision of the Services according to this Contract, when they are necessary to the consultants and service providers involved in the provision of the Services that are the subject of this Contract, agreed by the Beneficiary*
  - II. To the extent that the relations between the parties also involve the transmission by the Beneficiary of information held by/or in connection with affiliated entities, or involve the presentation of information by affiliated entities directly to the Provider, the Beneficiary authorizes the transmission of information in accordance with the provisions of this Article 10 and confirms that the Beneficiary has the right to act in this regard*
  - III. The provider will take reasonable measures in order to protect the confidentiality of the information collected during the provision of the services that are the subject of this Agreement and to inform all persons who receive this information about their confidential nature*
  - IV. Except for cases where this information is expressly identified as confidential, the Provider may mention to its clients or potential clients the performance of the services provided to the Beneficiary, as proof of its professional experience. The Beneficiary agrees that the Provider has the right to use the Beneficiary's name and logo in the presentation of his professional experience*
  - V. Due to the requirements related to the regulation of the auditing profession, internal risk management and internal audit services quality checks, the Provider may disclose information collected during the provision of the Services that are the subject of this Contract in accordance with the legal provisions and the Code of Ethics of Accounting Professionals, issued by IESBA, only to those authorized to evaluate the quality of the audit engagements carried out*

- 12.5** *Serviciile angajate în cadrul acestui contract se încadrează în categoria reglementată de legislația în vigoare privind prevenirea și combaterea spălării banilor și a finanțării actelor de terorism. În cazul în care, pe parcursul furnizării serviciilor, partenerii / subcontractorii/ asociații sau personalul Prestatorului suspectează implicarea Clientului sau a oricăror persoane asociate acestuia în acțiuni de spălare de bani sau finanțare a terorismului, Prestatorul **are obligația** să raporteze aceste suspiciuni Oficiului Național de Prevenire și Combatere a Spălării Banilor, fără a exista obligația de informare prealabilă a Clientului, conform prevederilor legale în vigoare. Spălarea de bani cuprinde o gamă largă de acte și fapte așa cum sunt reglementate în legislația națională. **Obligația de a raporta există indiferent** dacă suspiciunile sunt asupra unor acte și fapte ale unui client sau ale unui terț, și indiferent de locul de desfășurare al acestora.*
- 12.6** *În vederea protejării confidențialității informațiilor obținute ca urmare a îndeplinirii obiectului prezentului contract, inclusiv în cazul divulgării acestora, în situațiile obligațiilor prevăzute de lege, trebuie să se aplice exclusiv legea română. Nicio altă lege, a vreunui stat terț (de ex. statul companiei mamă a Beneficiarului) nu poate fi aplicabilă în ceea ce privește confidențialitatea informațiilor, așa cum este ea definită și prevăzută în prezentul contract. În situația în care Prestatorul are obligația legală de divulgare de informații (inclusiv de raportare) către instituțiile statului prevăzute de lege, Beneficiarul nu poate pretinde daune interese de nicio natură.*

### **Article 13                    PROTECTION OF PERSONAL DATA**

- 13.1** *In accordance with the provisions of Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, the Provider is the financial auditor / audit firm, organized / organized in a legal form of operation according to the applicable legislation in Romania, having the right to process personal data for legitimate purposes, in compliance with the legal provisions.*
- 13.2** *"Personal Data" means any identifying element such as name, an identification number, location data, an online identifier, etc. The processing of personal data is carried out by mixed means (manual and automatic), under conditions that ensure security, confidentiality and respect for the personal rights concerned.*
- 13.3** *The provider undertakes to take all reasonable precautions to ensure the security and prevention of any destruction, loss, modification, disclosure or illegal or unauthorized access to the personal data obtained during the communication by computer means and not only.*
- 13.4** *Personal data will be used only for the requested purpose and will be stored for the minimum period required by the legal norms in force, unless the Parties agree otherwise.*
- 13.5** *The Beneficiary agrees that the Provider may collect, store, disclose personal data relating to the Beneficiary's employees, representatives, contractors, clients, as well as other persons, for the purpose of the appropriate provision of the contracted services and for the purposes described regarding the disclosure of information, as provided in Article 12. When the Beneficiary provides the Provider with personal data relating to any persons, the Beneficiary confirms that it has the authority to process such personal data, of to transfer them and to authorize the Provider to process and transfer such data in accordance with this Agreement and the legal provisions. If the Provider must collect personal data of the above-mentioned persons, the Beneficiary shall obtain and transmit to the Provider in due time the written consent of the persons thus concerned, consent which is necessary to ensure the provision of services in accordance with the applicable legal provisions.*
- 13.6** *For the proper provision of the services provided in this contract, the Beneficiary hereby entrusts the processing of personal data to the Provider. The Provider undertakes to protect the personal*

*data received during the provision of the Services in an adequate manner and using the appropriate technical and organizational means, so as to ensure the adequate protection of this data in accordance with the applicable legislation, especially the protection against loss, destruction, theft, alteration or accidental or illegal processing.*

- 13.7** *With regard to the personal data provided by the Beneficiary to the Provider in connection with the Services, the Beneficiary confirms that the processing of this data in accordance with the clauses of this Agreement will not cause the violation of any regulations regarding the protection of personal data by the Provider.*
- 13.8** *By signing this contract, the Beneficiary declares that he has taken note of his legal obligations and rights and expressly agrees that the Provider processes, if necessary, personal information of natural persons (for example: associates/shareholders of Group companies) for the purpose of this Contract and in accordance with the legislation applicable during the execution of this Contract, in the matter of the protection of natural persons with regard to the processing of personal data and regarding the free movement of such data. The consequences of refusing to process personal data where the provision of services requires it, may lead to the inability of the Provider to assume the obligation provided for in Art. 1 "OBJECT OF THE CONTRACT".*

#### **Article 14            *MODIFICATION OR TERMINATION OF CONTRACT***

- 14.1** *The contract can be modified only on the basis of an additional act signed by both Contracting Parties.*
- 14.2** *The contract terminates in the following cases:*
- a. By written agreement of both Parties;*
  - b. By unilateral denunciation, at the initiative of either the Beneficiary or the Provider, at any time, with a notice of at least 30 calendar days prior to the date on which the termination of the Contract is to take effect, without the obligation to invoke any reason/explanation by the party initiating the denunciation; in such a case, this Agreement will terminate automatically, upon the expiration of the period of 30 calendar days mentioned above. In such event, the party notifying the termination of the Contract shall have no further obligation to the other party with respect to the termination of the Contract in such manner;*
  - c. By law, by fulfilling the object of the Contract.*
- 14.3** *The Provider has the right to terminate this Agreement in situations that include, but are not limited to, the following:*
- The Beneficiary provides the Provider with information that is not credible for the purposes of the audit;*
  - The Beneficiary prevents the Provider from carrying out the necessary audit procedures;*
  - The Beneficiary does not provide the Provider with the necessary assistance for the provision of the Services and provided for in this Contract, or*
  - The Beneficiary does not fulfill or does not fulfill on time and/or properly any of the Obligations assumed in this Contract.*
- 14.4** *In any of the cases mentioned above from point I to IV, if the Beneficiary does not remedy or remove the respective violation/non-performance of the obligation in question, if it can be corrected/remedied, within a reasonable term notified by the Service Provider, the latter has the right to unilaterally terminate this Agreement according to article 1552 of the Civil Code, based on a simple notice of termination of the contract (also called "Notice of Termination") sent to the Beneficiary through the communication methods mentioned above. In such a case, the termination of the Contract will occur "by right", without the need for any additional formality or the intervention of the court, upon receipt by the Beneficiary of the Notice of Termination mentioned above.*

- 14.5** *Both the Beneficiary and the Provider have the obligation to inform ASPAAS (the Public Supervisory Authority of the Statutory Audit Activity) according to the provisions of Law 162/2017 in relation to the dismissal or resignation during the audit mandate.*
- 14.6** *In all cases, unless the law provides otherwise, the Beneficiary undertakes to pay the Provider the fee, calculated proportionally for the services provided until the termination of this Agreement.*

**Article 15            FORCE MAJEURE AND FORTUNED CASES**

- 15.1** *Force majeure is an external, unforeseeable, absolutely invincible and unavoidable event, not imputable to the party invoking it and which has as a partial or total result the impossibility, temporary or permanent, of full or partial fulfillment of the obligations assumed in this Contract.*
- 15.2** *The party invoking force majeure shall notify the other party within 5 days of the occurrence of the event regarding the impossibility of performing its obligations and shall provide the other party, within 15 days from the date of notification, with the certificate confirming the event of force majeure, issued by the competent institution. At the same time, the party invoking the force majeure shall notify the other party of the termination of the force majeure event and its consequences in terms of the inability of the party to fulfill its obligations, within 30 days of the termination.*
- 15.3** *The fulfillment of the Contract will be suspended during the period of action of force majeure, but without prejudice to the rights that were due to the parties before its occurrence.*
- 15.4** *If the force majeure acts or is estimated to act for a period longer than 3 months, each party will have the right to notify the other party of the full termination of this contract, without any of the parties being able to claim damages to the other.*

**Articolul 16    LEGEA CONTRACTULUI, SOLUȚIONAREA LITIGIILOR**

- 16.1** *This Agreement is governed by Romanian law.*
- 16.2** *The parties agree through this Agreement that any disagreement regarding the validity, conclusion, interpretation, execution and/or termination of this Agreement shall be resolved amicably, according to the applicable legal regulations.*
- 16.3** *If the misunderstandings between the parties cannot be resolved amicably, the disputes between the parties will be settled by the competent courts in Romania*

**Article 17            FINAL PROVISIONS**

- 17.1** *By signing this Service Provision Agreement and the Standard Terms (which together form the "Contract" between the Parties), each Party, through its legal representative, declares that it has negotiated, fully understands and, according to art. 1203 of the Civil Code, expressly accepts all the provisions of this Agreement and thus concludes the Agreement in order to acquire the rights and assume the obligations provided for in it, which it considers fair.*
- 17.2** *If any of the provisions of this Agreement will be declared illegal, void or unenforceable according to the legislative provisions in force, this will not affect the legality, validity and applicability of the other provisions of this Agreement. The parties agree that any such provision shall be replaced by a clause whose content preserves as much as possible the meaning of the original provision. By signing, each of the Parties assumes the risk of misunderstanding any clause of the Contract.*

- 17.3** *If any of the provisions of this Agreement will be declared illegal, void or unenforceable according to the legislative provisions in force, this will not affect the legality, validity and applicability of the other provisions of this Agreement. The parties agree that any such provision shall be replaced by a clause whose content preserves as much as possible the meaning of the original provision. By signing, each of the Parties assumes the risk of misunderstanding any clause of the Contract.*
- 17.4** *The signatories of the Contract declare that each of them has the right and full legal capacity to enter into the Contract validly for and on behalf of the entity they represent and to legally employ that entity without restrictions for this purpose.*
- 17.5** *This Agreement represents the entire will of the Parties, it prevails over any other agreements, documents, pre-contractual documents or negotiations between the Parties, prior to the signing of this Agreement and in relation to its object. There are no other secondary/external elements related to this Contract or agreement between the Parties that are not included in it.*

*This Agreement was drawn up today [date], in [two] original copies, [one] for each Party. The contract was drawn up in Romanian and translated into [English, French, etc]. The Romanian version of this contract will prevail in any situation.*

**PROVIDER**

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**BENEFICIARY**

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