



Drive for
performance

Corporate Governance Code

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PREAMBLE

The Corporate Governance Code is the set of principles and rules that govern the activity of EVERGENT Investments, with the purpose of protecting and harmonizing the interests of all categories of participants to the Company's activity.

The Code is aligned to the provisions of FSA Rule no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the financial Supervisory Authority (FSA Rule no. 2/2016), the Corporate Governance Code of Bucharest Stock Exchange. OECD Corporate Governance Principles as well as to the best practices in the field.

Corporate governance refers to the way in which rights and responsibilities are divided among the various categories of participants to the company's activity such as shareholders, Board of Directors, managers, employees, auditors, while at the same time specifying the way decisions are taken regarding the activity of the company, how strategic objectives are defined, what are the means of achieving them and how economic performances are monitored.

Communication with stakeholders confirmed EVERGENT Investments' concern to strive for best corporate governance practices. The implementation and development of corporate governance principles, as well as the development of responsible and transparent business practices, is a necessity for the application of investment strategies and policies, portfolio management and the implementation of compliance obligations. The prerequisites are created for increasing EVERGENT Investments' performance and for harmonizing the interests of all parties involved in the relationship with the company.

The implementation of the *Corporate Governance Code* in current activity ensures:

1. improved protection of shareholders' rights;
2. harmonization of the interests of all the parties involved in the relationship with the company: shareholders, directors, managers, auditors, employees, etc.;
3. increase of the transparency of management through sustained communication with shareholders;
4. a balance between compliance and performance;
5. the setting of transparent criteria in the election procedure for the members of the Board of Directors and executive management;
6. the necessary framework to elect a Board of Directors with a structure and members who lead to an efficiency increase of the activity of the Board of Directors; therefore it is recommended that when electing the directors, the shareholders consider the following:
 - a) the compliance with the principle of majority of non-executive directors and the majority of the independent non-executive members; a Board structure with a sufficient number of independent directors ensures the necessary consultative committees, in accordance with the recommendations of the corporate governance principles;
 - b) achievement of a balance between the number of senior directors, who through their experience and knowledge of the company ensure activity continuity, and new directors who encourage the development of new ideas.

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Chapter 1. Organizational Structure

EVERGENT Investments establishes and applies decision-making procedures and an organizational and hierarchical structure that ensures the distribution of functions and responsibilities in a clear and formalized way.

The name of the company is EVERGENT Investments S.A.

Legal form: the Company is set-up as a Romanian legal entity under private law, organized as a joint stock company, as an investment company, classified according to applicable regulations as Alternative Investment Fund of investment company type – A.I.F.S, category: Alternative Investment Fund destined for Retail Investors – A.I.F.R.I, with a diversified investment policy, closed-end, self-managed, being authorized by F.S.A as Alternative Investment Fund Managers (AIFM).

According to the provisions of FSA Regulation no. 10/2015 on the management of alternative investment funds, EVERGENT Investments is classified as an AIFM of significant size, namely “those A.I.F.M.s authorized by F.S.A that manage A.I.F. portfolios with an asset value of at least Eur 200 million, Lei equivalent, or that have had an average number of at least 30 permanent employees over the previous calendar year”.

Company’s operation: EVERGENT Investments operates in accordance with: (a) specific legislation on alternative investment companies type and those on alternative investment fund managers; (b) legislation on companies approved for trading on a regulated market; (c) legal directives on legal entity companies; (d) provisions of the Memorandum of Association and internal regulations.

The Company’s registered office and headquarters which is also the main office for the conducting of its activity is located in Romania, Bacău municipality, Pictor Aman Street no. 94C, Bacău county.

The Company has a secondary office setup- its Bucharest Agency, located in Bucharest municipality, Bdul Poligrafiei no. 1A, 1st district.

Chapter 1.1. General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the supreme deliberation and decision body of EVERGENT Investments and operates in accordance with the legal provisions in force and the Memorandum of Association of the company. Ordinary and extraordinary general meetings are convened by the Board of Directors, in accordance with the legal and statutory provisions.

The general meeting of shareholders adopts decisions based on projects proposed by the Board of Directors and / or shareholders.

Conducting and Voting Procedures

The setting of attendance and vote procedures is the exclusive attribute of the Board of Directors.

EVERGENT Investments has implemented the voting by electronic mail since April 2008, based on Directive 2007/36 / EC of the European Parliament and of the Council of 11 July 2007, receiving the FSA's opinion on the procedure. Subsequently, the implementation of the provisions of the Directive in the FSA Regulation no. 6/2009 and currently taken over in

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Regulation no. 5/2018, maintained the compliance of the content of the Procedure with the requirements of the Regulation.

The Board of Directors will be able to decide on the holding of GMS through electronic means, consisting in:

1. Real-time broadcast of the general meeting;
2. voting system during the general meeting that does not require the appointing of a representative to be physically present at the meeting.

This procedure abides by the community law in the field, “Directive 2007/36/CE of the European Parliament and Council of 11th July 2007 regarding the exercise of certain shareholders’ rights in the companies listed on the stock market”, transposed in national legislation.

The quorum and decision-making requirements for the resolutions of the General Meetings of Shareholders are stated in the Memorandum of Association.

Chapter 1.2. Board of Directors

The Board is responsible for strategic management, the achievement of set objectives and, depending on the management system, develops/approves the business plan and is required, under formal and transparent provisions, to carry out the assessment of the financial position.

The activities carried out by EVERGENT Investments and its development prospects are reviewed at least once a year by the Board.

The Board is responsible for ensuring that there is an adequate framework for verifying the application of specific legislation on reporting to the A.S.F. and for verifying the information submitted to the A.S.F., at the latter's request, on certain actions taken by the company.

The Board reviews the adequacy, effectiveness and currency of the risk management and administration system for the effective management of the assets held by EVERGENT Investments, and the management of the related risks to which it is exposed.

For EVERGENT Investments, the Board of Directors of EVERGENT Investments (parent company) has the general responsibility to ensure an adequate internal governance within the Group, namely a governance system that corresponds to the structure, activity and risks, both on Group and subsidiary level. The Board of EVERGENT Investments sets a governance system that contributes to an efficient monitoring of its subsidiaries and also takes into consideration the nature, extent and complexity of the risks that the Group and subsidiaries are exposed to, while at the same time abiding by the legal and governance responsibilities of subsidiaries.

The Board of the subsidiary applies internal governance principles and policies similar to those of the parent company, with the exception of the case when there are legal requirements that lead to the setting of own policy. The board of the subsidiary, together with that of the parent company assess the decision and practices on group level in order to make sure that these do not lead to the infringement of legal provisions or prudential rules applicable to the subsidiary and do not affect the healthy and prudent management.

The structure and members of the Board are set in accordance with the requirements of

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specific law. The Company is managed by a Board of Directors comprised of 5 members, natural individuals elected by the general meeting of a 4 years' period, with the possibility of being re-elected. The members of the Board of Directors are endorsed by FSA. The executive managers and directors who comprise the Management Committee enter Administration and/or Management Agreements with the Company, contracts that are prepared abiding by the applicable legal framework. The contents of these contracts entered with the Company will be presented and/or made public if applicable regulations require it.

The Board of Directors elects a president and a vice-president from among its members. The president of the Board of Directors can also be the CEO of the Company and the vice-president can also be the deputy-CEO.

The President of the Board of Directors has the following basic responsibilities:

- (a) coordinates the activity of the Board of Directors;
- (b) convenes the Board of Directors;
- (c) follows-up the fulfilment of the resolutions of the Board of Directors and reports to the Board on a quarterly basis regarding the status of their implementation;
- (d) conducts the works of the General Meeting of Shareholders and presents the items on the agenda for debate and approval;
- (e) oversees the proper functioning of company structures.

The President may have other attributions established by the Board of Directors of the company by decision or expressly provided in legal provisions.

The Vice-president of the Board of Directors fulfils the attributions of the President, in his absence. The vice-president may have other attributions established by the company's Board of Directors by decision or expressly provided in legal provisions.

The members of the Board of Directors may be represented at the meetings of the board only by other members. A present member may represent a single absent member.

The Board of Directors has the following basic competencies, that cannot be assigned:

- (a) setting strategic management and the fulfilment of set goals;
- (b) setting the main activity and development directions of the Company;
- (c) setting the accounting policies and the financial supervisory system, as well as approving the financial planning;
- (d) appointing and dismissing directors and setting their rights and obligations;
- (e) adopting proper measures regarding the setting and application of corporate governance principles, the set-up of other companies or legal entities, including the participation to the share capital of other companies, under the conditions foreseen by legal regulations;
- (f) the pledging, renting, set-up of movable security and mortgage on the company's goods, as permitted by the law.

Other attributions of the Board of Directors are detailed in the Memorandum of Association, as well as in the *"Procedure on organisational structure and administrative and accounting requirements and control and safeguard arrangements in the area of electronic data processing as well as appropriate internal control mechanisms"*.

Chapter 1.3. Consultative Committees of the Board of Directors

The Board of Directors can create Consultative Committees comprised of board members, assigned with the carrying out of investigations and issue of recommendations for the board, in

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fields such as audit, remuneration of directors, managers and employees or appointment of candidates for various management positions, a.o. The Board of Directors sets the internal rules of the committees set-up.

The committees' activity is coordinated by a president, selected from among their members.

The consultative committees of the Board of Directors must be comprised of at least 2 members, in accordance with legal provisions and the Memorandum of Association, as follows:

- at least one member of each committee must be a non-executive, independent director;
- the Audit Committee, Investments Committee and Appointing-Remuneration committees are comprised solely of non-executive directors;
- at least of one member of the Audit committee must have experience in the application of accounting principles or financial audit;
- *the Audit Committee* must be comprised of at least three members and most the Audit Committee members must be independent, in accordance with BVB recommendation for the Premium category.

Audit Committee

The Audit Committee is a permanent committee of the Board of Directors, independent of EVERGENT Investments' executive management. The Audit Committee supports the Board of Directors in fulfilling its attributions in the field of financial reporting, internal control, internal and external audit and risk management. The Committee issues recommendations regarding various topics that are object of the decision-making process.

The members of the Audit Committee are appointed by the Board of Directors. The audit committee is comprised of a number of 3 members elected from among non-executive managers. The majority of members of the Committee will be independent non-executive managers (in the meaning of Companies' Law no. 31/1990). The president of the Committee will be an independent non-executive director.

Attributions, responsibilities:

- (a) it informs the Board of Directors regarding the result of statutory audit and explains to which extent it contributed to the integrity of financial reporting and the role of the Audit committee within this process;
- (b) it monitors the financial reporting process and submits recommendations or proposals to insure its integrity;
- (c) it monitors the efficiency of the internal control, quality and risk management systems of the Company and internal audit regarding EVERGENT Investments' financial reporting, without affecting its independence.
- (d) It monitors the audit of annual financial statements and consolidated annual financial statements, especially their preparation, taking into consideration the conclusions of the competent authority, in accordance with applicable regulations in force;
- (e) It is responsible for the selection procedure for the financial auditor or the audit company and makes recommendations for the Board of Directors regarding its selection, appointment and replacement, submitted for GMS' approval, as well as the terms and conditions for its remuneration, in accordance with applicable regulations in force;
- (f) It evaluates and monitors the independence of the financial auditor or audit company and especially, the scope of the deliveries of services that are not audit activities, in accordance with regulations in force;
- (g) It evaluates conflicts of interest related to the transactions of the company and of its subsidiaries with affiliated parties;

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- (h) It monitors the application of the legal standards and generally accepted internal audit standards. The Audit Committee receives and evaluates the reports of the internal audit team, it analyses and endorses the ascertainments and recommendations of internal audit and measure plan for its implementation.

The Appointing-Remuneration Committee

The Appointing-remuneration committee is a permanent committee with consultative function, independent of the executive management of EVERGENT Investments, subordinate to the Board of Directors, under the conditions of specific regulations applicable to the company. The Remuneration Committee is bound to present the Board reports on its activity annually, or whenever necessary.

The Committee assists the Board of Directors in fulfilling its responsibilities in the field of appointing members for management positions and their payment. The Committee is comprised of at least 2 non-executive members, of which at least one is an independent member, meaning that it abides by the independence principle foreseen by art. 18 of *FSA Regulation no. 1/2019 on the evaluation and approval of the members of management structure and individuals holding key positions in entities regulated by the Financial Supervision Authority*.

The Board/ Remuneration Committee reviews and sets EVERGENT Investments' basic fixed remuneration policy and variable remuneration policy so that it is consistent with the business strategy, objectives and long-term interests and includes measures to prevent conflicts of interest from arising. The Board shall ensure that all remuneration commitments are properly and responsibly structured and that remuneration policies enable and promote effective risk management without leading to risk-taking that exceeds EVERGENT Investments' risk tolerance level.

EVERGENT Investments' base fixed remuneration policy and variable remuneration policy are established on the basis of an informed analysis and well-defined indicators of the individual performance of the remunerated person, correlated with the collective performance, and on the basis of a judicious allocation of the company's expenses, where possible, as well as taking into account the avoidance of establishing incentives that encourage excessive risk-taking or in accordance with the principles set out in the company's specific regulations.

Performance indicators are set according to the nature of EVERGENT Investments' business. The level of remuneration is set in close accordance with the responsibilities and commitments related to the tasks.

The Board and executive management/senior management, as appropriate, are required to communicate with stakeholders on the basis of a communication strategy that meets at least the following requirements:

- a) *ensuring a fair treatment of shareholders and stakeholders;*
- b) *timely disclosure of information;*
- c) *ensuring a transparent communication framework.*

Attributions, responsibilities:

- a) It drafts recommendations regarding the appointing policy applicable to managers and directors of the company to be presented for the approval of the Board of Directors;
- b) It endorses, before the Board of Directors' approval and monitors the abidance by the remuneration policy for directors, managers and employees of the Company, prepared and

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applied by the company's executive management;

- c) It can draft recommendations regarding the remuneration policy on EVERGENT Investments Group level;
- d) It submits the Board of Directors the annual report on remunerations and other advantages offered to directors and managers during the financial year;
- e) It is informed about the documentation that is submitted to the financial auditor for the analysis of transactions reported as per art. 108 Law no. 24/2017 on the issuers of financial instruments and market operations, and following the audit report, it recommends measures to be taken, if any;
- f) it drafts recommendations regarding the covering of vacant positions in the Board of Directors, abiding by GMS resolutions and applicable law;
- g) it drafts recommendations regarding the adopting of the resolution of the Board of Directors and/or executive management for the appointing, employment, discharge of office, or dismissal of department managers and staff in key positions and control position, as well as for setting the their indemnity level and rights and obligations.

The annual report of the Remuneration Committee is presented to the General Meeting of Shareholders with the Company's financial statements, in accordance with the provisions of art. 49 FSA Regulation no. 2/2016.

Investment Committee

The Investments Committee assists and supports the Board of Directors in fulfilling its obligations in the field of drafting investment strategies and policies, implementation of investment policy, analysis of financial instruments performance analysis and management of corresponding risks.

Assignment of competence on the level of the Board of Directors

The Board of Directors approves the assignment of competencies and sets the competence limits for the CEO, deputy-CEO and Management Committee.

The Board of Directors approves competence assignments and/or representation rights to other managers, setting their limitations. The operations made based on the competencies assigned by the Board of Directors to other managers are object of reports that will be presented during the meetings of the Board of Directors.

Chapter 1.4. Executive Management

The executive management of the company is ensured, in accordance with the provisions of the Memorandum of Association, the decisions of the Board of Directors and the regulations in force, by the General Manager and the Deputy General Manager, who are directors of the company within the meaning of Companies' Law no. 31/1990.

Directors shall meet the legal requirements for office, be of good repute and have sufficient experience in accordance with A.S.F. regulations, including in relation to the investment strategies pursued by AIFs managed by AIFMs.

Executive/ higher management is responsible for the management and good running of

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the activities of the regulated entity, including those of the application of policies, strategies and objective reaching, according to regulations in force.

In the risk management field, executive management is responsible for the following:

- (a) ensuring the implementation of the risk management policy, procedures and methodologies for the identification, assessment, monitoring, management and reporting at all times of significant risks to which the Company is or may be exposed, approved by the Board of Directors;
- (b) setting the competences and responsibilities concerning risk management on each line of activity;
- (c) application and proper and efficient abidance by the risk limits taken on, including in crisis situations, as well as abiding by the risk profile approved by the Board of Directors;
- (d) making sure crisis simulations are carried out;
- (e) half-yearly evaluation of the plan to insure activity continuity and for emergency situations for the purpose of eliminating or minimalizing risks;;
- (f) development of an integrated risk culture on the level of EVERGENT Investments, based on a full understanding of the risks the company faces and the way these are managed, taking into consideration its risk tolerance/appetite.

In the field of compliance insurance, executive managers are responsible for the following:

- (a) the approval of the compliance policy (could be as integrated document or selection of distinct internal regulations);
- (b) analysis, at least once a year, of the compliance policy and of the way it is implemented in EVERGENT Investments;;
- (c) ordering measures for compliance risk control.

CEO

The CEO has the following attributions::

- (a) direct and actual management of the company's activity, in compliance with the general objectives set by the General Meeting of Shareholders;
- (b) implementation of the company's general investment policy;
- (c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association or Board of Directors;
- (d) patrimonial engagement of the company in its legal relationships with third parties, through own signature;
- (e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors ;
- (f) approval of measures regarding the protection of the integrity of tangible and intangible assets in the company's patrimony;
- (g) third parties trading and/or negotiation attributions regarding the goods or rights of the company within the limitations set by the law, the Memorandum of Association, GMS resolutions or resolutions of the Board of Directors;
- (h) representation of the company in its relationship with third parties and in court;
- (i) collaboration with the company's auditors, the depositary of the company and the entity holding the shareholders' records, as well as with other control or supervision bodies of the company;
- (j) approval of the contents of the information reports for the market and the shareholders regarding any action or deed that is object of a legal reporting obligation;

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- (k) internal (functional) organization of the company, taking into consideration the legal provisions, company's Memorandum of Association, internal regulation, organizational chart and position status of the company, as well as the resolutions of the Board of Directors;
- (l) negotiation of individual employment contracts and work conditions;
- (m) notification of the Board of Directors regarding the activity carried out according to applicable law.

The CEO coordinates the entire activity of the company, according to executive staff attributions and organizational chart. The CEO directs and coordinates the Management Committee.

In case of absence, the attributions assigned by the Board of Directors will be the competence of the Deputy CEO and the actual management of the company will be insured by the deputy CEO and one of the individuals appointed as replacement, FSA notified.

Deputy CEO

The deputy has the following attributions:

- (a) implementation of the Board of Directors resolutions;
- (b) direct and actual management of the company's activity in compliance of the general objectives set by GMS;
- (c) management of the company's patrimony within the limitations set by the law, Memorandum of Association, resolution of the general meetings of shareholders or Board of Directors;
- (d) patrimonial engagement of the company in its legal relationship with third parties through his own signature in agreement with the provisions of internal regulations and within the set competence limitations;
- (e) conclusion of contracts, with the exception of those that are the competence of the Board of Directors and/or CEO;
- (f) approves the measures regarding the protection of the integrity of movable and immovable assets in the patrimony of the company;
- (g) trading and/or negotiating attributions in the relationship with third parties regarding the goods or rights of the company within the limitations set by the law, the Memorandum of Association, GMS resolutions or resolutions of the Board of Directors;
- (h) company's representation in its relationship with third parties and in court;
- (i) collaboration with the company's auditors, the company's depositary and central depositary, as well as with the other control and supervision bodies of the company;
- (j) approval of the content of market and shareholders informational reports regarding any action that is subjected to a reporting obligation;
- (k) notification of the Board of Directors of the company regarding the activity carried out, according to applicable law ;
- (l) other attributions set by the Board of Directors of the company through resolutions or expressly foreseen by legal provisions.

In case of absence, the attributions assigned by the Board of Directors shall be the competence of the CEO and the actual management of the company will be insured by the CEO or one of the individuals appointed as replacement and notified to FSA.

Chapter 1.5. Management Committee

The Board of Directors delegates the management of the company to the CEO and the Deputy CEO, who together form the Management Committee.

The CEO and deputy-CEO may also be directors of the company.

The setting up and dissolution of the Management Committee shall be approved by a majority

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vote of the Directors present.

The CEO and deputy-CEO comprise the Management Committee and effectively lead the activity of the Company within their assigned competencies.

Each executive-manager of the company coordinates the daily activity of certain departments, according to the organizational chart, and adopted individual decisions on specific activity areas, and together they adopt resolutions within the actual collective work body, the Management Committee, applying the legal requirement that directors insure the actual management of the company.

For this purpose, the Committee adopts resolutions regarding:

- ✓ the implementation of the investment strategy set by the Board of Directors;
- ✓ implementation of Board of Directors' resolutions targeting assigned competencies;
- ✓ issues that fall under the competence area of the Board of Directors and that are to be presented for its debate and approval, concerning assigned attributions;
- ✓ issues that through their nature might impact all activity lines (business, support, compliance);
- ✓ issues that require full understanding and harmonization of business and compliance aspects, in order to adopt a decision.;
- ✓ approval of procedures that are specific for the Company's departments.

The meetings of the Management Committee represent at the same time the internal framework for the full and reciprocal information of directors on issues specific for the coordinated areas.

The competence limits of the Management Committee, CEO and deputy CEO are set taking into account the basic responsibilities of the Board of Directors that cannot be assigned (provisions of art. 7 line 19 letters a-l of the Memorandum of Association).

Organization and conduct of the Management Committee's activity

Between the meetings of the Board of Directors, the Management Committee carries out its activity within the set competence limits. The Management Committee reports to the Board of Directors on the decisions taken and the state of on-going operations. The legally adopted decisions are mandatory for the directors and employees and enforceable from the time they are communicated in writing, if there is no other later deadline for their becoming enforceable mentioned in their content.

The decisions of the Management Committee are adopted with an unanimity of its members' votes. In case there is no unanimity and if the Committee ascertains it is necessary, the subject is presented for the analysis, in order for a decision to be made.

The CEO directs and coordinates the Management Committee and in this quality he:

- (a) convenes the Management Committee whenever necessary to present issues that fall under its competence for debate and approval;
- (b) monitors the implementation of the Management Committee's decisions and reports to the Board on a quarterly basis on the state of their implementation;
- (c) informs on adopted decisions, in each meeting of the Management Committee.

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The director is an employee of the company, he is subordinate to the Management Committee and mainly has the following attributions:

1. He ensures the day-to-day coordination of the departments and the necessary framework for the activities of the departments according to the Organisational Chart, by organising, planning and monitoring their activities in order to achieve specific objectives at a high level of performance;
2. Approves and/or endorses all documents drawn up within the framework of the coordinated activity, in accordance with the powers and within the limits approved by the CEO and BD. He coordinates, carries out and/or effectively participates in the elaboration of works assigned to company departments and/or inter-departmental works, within the established timeframe, and reports to the Executive Management on the way they are carried out;
3. Reports to the Management Committee, the CEO on the work carried out; monitors the implementation of the decisions of the BD and reports to the Management Committee and the Board on the status of their implementation, based on information provided by managers and heads of departments or projects, as appropriate, in accordance with internal procedures and management decisions.

Chapter 1.7. KEY POSITIONS

Individuals holding key positions within EVERGENT Investments, as defined by art. 2 line (2) letter h) item i), ii), iii) of FSA Rule no. 2/2016 are:

- staff of the Risk Management Department – FSA authorized position;
- compliance officer(s) – FSA authorized position;
- The staff of the Internal Audit Department – FSA notified position (the notification is submitted at least 15 work days before the start of the attributions exercise, in accordance with the provisions of Reg. no.

The assessment of individuals holding key positions is made according to the provisions of Regulation no. 1/2019 on the assessment of the members of management structure and individuals holding key positions in entities regulated by F.S.A..

The details regarding the assignment of functions and responsibilities for individuals holding key positions is presented in the chapters concerning Internal audit, Risk Management and Compliance functions.

Chapter 2. CONFLICTELE DE INTERESE ȘI GESTIONAREA ACESTORA

The Board is responsible to insure the development and application of ethical and professional standards to insure a professional and responsible conduct on the level of EVERGENT Investments, for the prevention of conflicts of interest.

The Board, executive management/ higher management and staff employed are bound to abide by the standards mentioned in the previous paragraph and act with due diligence, and act with honesty and openly both internally and externally.

EVERGENT Investments has procedures regarding the identification of conflicts of interest and their management, approved by the Board of Directors.

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For EVERGENT Investments Group, the mother-company is considering and balances the interests of all its subsidiaries and analyses the way in which these interests contribute to the common purpose and interests of the Group as a whole, on the long term.

The procedure regarding conflict of interest management sets the way conflicts of interests are managed and includes references to the stages treatment and measures taken in case the procedure is not abided by.

The procedure includes information regarding at least the following aspects:

- a) proper separation of attributions, such as the assignment of some activities that could generate conflicting situations in the transaction or services chain to different individuals;*
- b) assignment of supervision and reporting responsibilities for the activities that generate conflict of interest to different individuals;*
- c) identification of the individuals who, outside EVERGENT Investments, could have a negative influence on it regarding the activities in question.*

Fait and potential conflicts of interest and notified to the executive/higher management in compliance with applicable law, and are managed and solved according to procedure.

The Board, executive/higher management and individuals in key-positions insure the segregation of activities on an individual level or on the level of EVERGENT Investments and the application of some internal policies/regulations to avoid the occurrence of direct or indirect conflicts of interest, taking into consideration, at lease the following aspects:

- (a) assignment of additional attributions to the individuals holding key-positions is made in such a way so as not to generate conflict of interest and abide by the restrictions set by the specific law applicable to EVERGENT Investments;*

forbiddance of the participation of an individual in a conflict of interest situation to the decision-making process, concerning the conflict state. In case the existence of a conflict of interest is ascertained, the Board and executive/higher management are bound to manage the situation to annul or minimalize the effects of the conflict of interests, through the proper management of the created situation.

1. Management of Conflict of Interest

EVERGENT Investments takes all reasonable measures in order to avoid conflicts of interest and in case they cannot be avoided, it takes all measures to identify, manage, monitor and depending on the case make the conflicts of interest public for the purpose of negatively affecting the interests of EVERGENT Investments and its shareholders.

2. Conflict of Interest Management

EVERGENT Investments keeps and regularly updates records of the types of activities where conflicts of interest may arise with a risk of injuring the interests of the company or those of its shareholders.

The Executive Management shall receive from the Compliance Officer written reports on the activities referred to in the previous paragraph.

3. Personal transactions with financial instruments and other assets

For all individuals involved in activities that might generate a conflict of interest, or who have access to confidential or privileged information EVERGENT Investments sets, implements

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and maintains proper measures, through which these initiated individuals be prevented to carry out the following actions:

- (a) make a personal transaction with financial instruments;
- (b) advise or incite, outside normal work task framework, any other individual to make a personal transaction that would represent an abuse use of the information regarding pending financial instruments orders;
- (c) disclose, outside the normal work tasks framework, any information or opinion to another individual, when the relevant individual is aware, or should be reasonably aware, that following the disclosure, the other individual will act or will be likely to act in one of the following ways:
 - make a personal transaction with financial instruments
 - advice or incite another individual to make such a personal transaction.

4. Personal Transactions with Assets other than Financial Instruments

The members of the management structure (administrators, directors) may make personal transactions with unlisted shares in the company's portfolio – subsidiaries of the Group, or with other assets that belong to a project initiated by EVERGENT Investments, abiding by the following conditions:

- (a) acceptance of the characteristics of the approved project in connection to the investment initiatives of EVERGENT Investments (non-exhaustive example: drawing capital from shareholders along with SIF, disinvestment);
- (b) size of the investment, following all personal transactions in that asset or project, not to have a significant impact on SIF2 share price (for example: not to represent more than 10% of total EVERGENT Investments' assets value, according to art. 234 FSA Regulation no. 5/2018);
- (c) abidance by internal rules and procedures regarding the avoidance of conflict of interest and privileged information regimen;
- (d) abidance by the decisions of the Board of Directors of EVERGENT Investments regarding the conditions and individuals that may co-invest in assets or projects, so that the decisional capacity of the Board of EVERGENT Investments be insured for that particular asset or project (the managers in question abstain from debates and decisions within EVERGENT Investments BD concerning that particular investment).

For the purposes of Regulation 231/2013⁴, EVERGENT Investments thinks that the investment interests of individuals within the management structure of EVERGENT Investments in unlisted shares in the company's portfolio – subsidiaries of the Group, or in other assets that belong to a project initiated by EVERGENT Investments are optimally aligned with those of EVERGENT Investments (private-equity type approach through which control over unlisted companies is obtained is in agreement with the defined investment strategy, and abides by EVERGENT Investments' legal and prudential risk limits).

Chapter 3

3.1. Risk Management

For the efficient management of risks, EVERGENT Investments:

- sets, implements and maintains an adequate and formalized risk management policy that identifies all relevant risks it is or could be exposed to

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- sets and applies quantitative, qualitative or both type of risk limits, taking all relevant risks into account
- adopts appropriate and effective measures, processes and techniques to identify, measure, manage and monitor at all times the risks to which they are or might be exposed and to ensure compliance with the limits set by the risk profile

EVERGENT Investments sets and maintains constantly operational the risk management function that is hierarchically and functionally independent of the activities that generate risk exposure.

Structurally and hierarchically, the Risk Management Department reports to the Board of Directors. Persons acting as risk managers are subject to authorisation by the FSA and are registered in the FSA public registry.

The permanent risk management function has the following main responsibilities:

- (a) it implements efficient risk management policies and procedures in order to constantly identify, measure, manage and monitor all relevant risks for the company's investment strategy
- (b) it makes sure the risk profile notified to investors abide by the set risk limits
- (c) it monitors the abidance by the set risk limits and notifies the Board of Directors in due time, in case it considers that the risk profile is not compliant with these limits, or there is a significant risk that the risk profile become non-compliant with these limits
- (d) provides the Board of Directors, at intervals that are appropriate to the nature, size and complexity of the company and its activities, up-to-date information on the following matters:
 - compliance of the risk profile of the AIF notified to investors with the set risk limits and consistency between these limits;
 - the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate corrective action has been or will be taken in the case of existing or anticipated deficiencies
- (e) regularly provides senior management with updated information on the current risk levels that the company is exposed to, as well as any existent or foreseeable breaches of set risk limits to make sure that prompt and appropriate action can be taken.

The risk management function has the necessary authority and access to all relevant information required to carry out its tasks.

EVERGENT Investments assesses, monitors and, at least once a year, reviews the following issues:

- the adequacy and effectiveness of risk management policy and risk management measures, processes and techniques
- the extent to which the company complies with the risk management policy and risk management measures, processes and techniques
- the adequacy and effectiveness of the measures taken to address deficiencies in the risk management process
- fulfilment of the risk management function
- adequate nature and efficiency of the measures meant to ensure the functional and hierarchic separation of the risk management function.

3.2. COMPLIANCE

EVERGENT Investments institutes and maintains a permanent and efficient compliance verification function, which is independent.

The Compliance Department is subordinated to the Board of Directors.

The individual that covers the compliance officer function is subjected to FSA certification and entered in F.S.A. Public Registry.

In case the compliance officer is not available, one of the company's directors or another employee with adequate professional knowledge and experience shall provisory take over the attributions of the person that is not available for a maximum period of 3 months in a calendar year.

In order to allow the individual(s) appointed as compliance officer to fulfil their responsibilities correctly and independently, EVERGENT Investments must make sure that the following requirements are met:

- (a) the person has the authority, resources and experience required, as well as access to all relevant information;
- (b) the persons who carry out the compliance verification function are not involved in delivering services or in carrying out the activities they monitor;
- (c) the person that bares the responsibility of abiding by the attributions corresponding to the compliance function and for any reporting regarding the abidance by applicable regulation in which it will be clearly mentioned weather proper remedy measures for possible deficiencies were taken;
- (d) on setting the remuneration of individuals the following must be taken into consideration: the remuneration level must allow EVERGENT Investments to employ qualified and experienced staff; the objectivity of the individuals must not be affected by the remuneration setting method; variable remuneration must be based on objectives that are specific for the function and must not be set exclusively based on performance criteria on AIFM level; remuneration is directly supervised by the Appointing- Remuneration Committee;
- (e) individuals are assessed for the fulfillment, and maintaining the requirements regarding professional competence and experience, integrity and good reputation and governance, during the entire time they carry out their activity, according to applicable legal provisions.

Attributions and responsibilities:

- (a) monitors and regularly assesses the adequate nature and efficiency of measures, policies and procedures set in accordance with regulations in force, as well as the actions taken to remedy deficiencies regarding the company's abiding by its obligations;
- (b) monitors and regularly verifies the application of incidental legal provisions for EVERGENT Investments' activities, internal regulations and procedures and acts in accordance with its competencies in order to prevent and suggest measures to remedy any situation when the law, regulations in force incidental to capital market or internal regulations and procedures of EVERGENT Investments are infringed by EVERGENT Investments or its employees, follows-up the implementation of suggestions and recommendations;
- (c) it makes sure that the reports that EVERGENT Investments must submit to FSA and entities of the capital market are sent within the legal term foreseen by regulations in force;
- (d) analyses and endorses informative/advertising materials of EVERGENT Investments;
- (e) analyses and endorses documents prepared by EVERGENT Investments regarding the abidance of the minimum content requirement of internal documents and abidance by the regulatory framework of internal decision-making;
- (f) verifies the abidance by prudential regulations;
- (g) creates a process for the identification, registration, monitoring, prevention and disclosure

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of conflicts of interests, manages the internal procedure on *Conflicts of Interest*.

3.3. INTERNAL AUDIT

EVERGENT Investments sets and maintains the permanent internal audit function that is separate and independent from other functions and activities of EVERGENT Investments.

The Internal Audit department is subordinate to the Board of Directors.

For the purpose of guiding the activity, the internal audit department develops policies and procedures aligned to the requirements of Internal Standards for the professional practice of internal audit.

Attributions and responsibilities:

- (a) it helps the company, both as a whole and its structure, through opinions and recommendations;
- (b) it assists the company in risk management;
- (c) contributes to the improvement of risk management, control and governance processes;
- (d) evaluates the adequacy and efficiency of controls regarding governance, operations and systems of EVERGENT Investments;
- (e) it sets, implements and maintains an audit plan in order to examine and assess the adequate nature and efficiency of the systems, internal control mechanisms and procedures of EVERGENT Investments;
- (f) verifies the abidance by the recommendations;
- (g) regularly reports to the Audit Committee and Board of Directors on the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, in relation with the set plan;
- (h) verifies if management has accepted a level of residual risk that would be unacceptable for EVERGENT Investments and notifies the Board of Directors about the cases when no decision regarding residual risk was taken, in order to solve this situation;
- (i) carries out advising missions at the express request of the Board of Directors or executive management.

Internal audit carries out assurance and advising missions. Assurance missions offer an independent assessment of governance, risk management and control processes within EVERGENT Investments. Advising missions and consultative and connected activities that have the role of adding value and improve governance, risk management and control processes of EVERGENT Investments, without internal auditors undertaking the responsibility of management.

Chapter 4. COMMUNICATION STRATEGY

Communication Policy and Strategy

EVERGENT Investments abides by the transparency principles in its relationship with stakeholders and ensures an accurate representation of company activity.

The Board and executive management are bound to communicate with the interested parties, based on communication policies/strategies that abide by at least the following requirements: insurance of an equitable treatment for shareholders and interested parties; communication of information in due time, insuring a transparent communication framework.

1. Policy Purpose and Objectives

External Communication

External communication contributes to the fulfilment of the legal obligations and objectives set by the Board of Directors through the communication strategy and timetable. Communications must be clear, concise, accurate and professional and ensure transparency of the company's activities and performance in relation to its main stakeholders:

- EVERGENT Investments' shareholders
- possible investors
- capital market institutions
- Other categories of entities, persons or companies (work groups, profile associations)

Internal communication

EVERGENT Investments ensure an adequate communication with the employees of the company who hold the competencies and specializations necessary to reach the company's objectives and strategies.

Internal communication also aims to strengthen the organisational culture, increase the trust and involvement of employees in activities that generate performance.

2. Principles

Active communication with shareholders and investors and other stakeholders, capital market institutions as well as the general public is an integral part of EVERGENT Investments' management process and is based on the following principles:

Transparency - EVERGENT Investments makes sure that the communication process is transparent and, at the same time, abides by the confidential nature of certain information and data, in accordance with the applicable legal regimen.

EVERGENT Investments ensures the abidance by transparency requirements by disclosing the information foreseen by art. 48¹ of Regulation 2/2016 on website: www.evergent.ro/Structuri de guvernanta corporativa, namely:

- (a) The documents and information for which there is a disclosing obligation according to specific law applicable to the regulated entity;
- (b) Organizational structure, including the members of the management structure;
- (c) the main characteristics of the governance system in accordance with the provisions of FSA Rule no. 2/2016;
- (d) conclusions of the assessment of financial position based on the formal provisions foreseen under art. 11 line (1) FSA Rule no.2/2016;
- (e) the main characteristics of the formal framework for the application of reporting principles and practices, including prudential reporting;
- (f) the main characteristics of the system regarding the management of risks based on the procedures and strategies foreseen by art. 41 Reg. no. 2/2016;
- (g) excerpt on the conclusions of the assessment of the efficiency of the risk management system, foreseen by art. 45 FSA Regulation no. 2/2016.

Efficiency - EVERGENT Investments uses modern communication means and proper technologies in order to send messages in due time to its target group, EVERGENT Investments

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responds, with due diligence to the request for information received from the regulators, market institutions, mass-media, shareholders and other interested parties.

Clarity - EVERGENT Investments strives for clarity and accuracy in communicating its messages, so that it transmits concise and useful information.

Pro-activity - EVERGENT Investments is constantly interested in the contact with shareholders/ investors and regulated and supervised institutions, professional organizations and associations so as to identify those reciprocal interest aspects to improve the working environment and performance.

Relationship with investors - EVERGENT Investments operates in a highly accessible environment, therefore, the most important information is communicated in Romanian and English on its website, which allows Romanian and foreign investors to have access to the same information at the same time.

Chapter 5. SHAREHOLDERS' RIGHTS

The principles guiding EVERGENT Investments in its relationship with investors are:

1. *The Board must provide an equitable treatment towards all shareholders and investors*
2. *There must be a dialogue with shareholders and investors based on the mutual understanding of objectives. The Board of Directors, as a whole, is responsible for making sure that there is a satisfactory dialogue with shareholders and investors.*
3. *The Board of Directors must make sure that minority investors are protected.*
4. *The Board of Directors must appreciate the fact that perceptions of shareholders and investors affect the company's reputation.*

Recommended practice for the Board:

- a) *Difference between the perceptions of shareholders and investors and the performance of the company;*
- b) *The subject regarding the reputation of the company and its relationships with shareholders and investors should regularly be on the Board's agenda;*
- c) *The Board should identify important shareholders and investors group.*
5. *The Board of Director should assign executive management the task of dealing proactively with shareholders and investors*

Recommended practice:

- a) *Management should develop a strategy and formulate policies for the management of relationships with each shareholders and investors group;*
- b) *The Board should oversee the establishment of mechanisms and procedures that support shareholders and investors and to constructively engage with the company;*
- c) *The Board should encourage shareholders to participate to the General Meetings;*
- d) *The Board should consider not only formal approaches but also informal approaches, in order to interact with the shareholders and investors of the Company;*
- e) *The Board should present in its report the nature of the company's relationships with shareholders and investors, as well as their results.*

6. *The Board of Directors should strive to reach an adequate balance between different interest groups of shareholders and investors.*

7. *Recommended practice:*

The Board should consider the legitimate interests and expectations of shareholders and investors in the decision-making process, in the best interest of the company.

8. *Transparent and efficient communication with shareholders and investors is essential for building and maintaining their trust and confidence;*

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Recommended practice:

- a) *Complete, timely, relevant, accurate, honest and accessible information must be provided by the company to shareholders and investors, taking into account legal and strategic considerations;*
 - b) *Communication with shareholders and investors should be in a clear and easy to understand language;*
 - c) *The Board should adopt a communication guide that supports a responsible communication program.*
9. *The Board of Directors should make sure that litigations are solved as efficiently and quickly as possible. Recommended practice: The Board should adopt formal solving processes both for internal and external litigations.*

Chapter 6. INVESTMENT STRATEGY AND POLICY

The investment policy is the strategic component through which the Board of Directors of EVERGENT Investments targets the maximization of patrimonial assets and performance indicators in current activity, on the long run and in the interest of own shareholders.

The Investment Policy is approved by GMS and defines the general framework of action, depending on the long-term investment objectives, establishing the modalities for implementing the strategies appropriate to the economic cycle, in conditions of prudence.

The Investment Strategy pursues the efficient placement in financial instruments abiding by investment limits and the investment policy established by its own management. The Board of Directors is responsible for setting the main activity and development directions of the company and drafting the investment strategy of EVERGENT Investments. The investment strategy targets the professional management of available resources/assets for the purpose of reaching the objectives set by shareholders and obtaining average and long term revenue.

The investment activity is carried out abiding by the prudential and legal limits, in compliance with macroeconomic tendencies.

The activity is internally standardized, the procedure regulating the way investment policies and strategies are set and the way in which the company may change its investment strategy and policy. In case evolutions monitored require modifications or corrections to reach the expected result, these will follow the initial process for drafting and approval until approved by the Board of Directors.

Key elements

The well-defined, solid investment policy applied is based on the long-term increase of assets under management, a basic element that provides long-term value for investors.

Capital Operations

EVERGENT Investments targets capital operations, such as:

- share capital increase to provide resources for the implementation of investment programs;
- capital decreases for the purpose of increasing investors' yields;
- share buy-back programs for the purpose of lowering the share capital through share annulment and engaging the management and employees, in order to increase the

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efficiency of the management act and in agreement with AIFM/AIF recommendations on remuneration;

- splitting, consolidations of nominal value.

The justification of investment strategies is made by specialized structure, with staff that has the proper competence, knowledge, experience and understanding of the assets in which the EVERGENT Investments invests.

Implemented principles:

- high level of diligence in the selection and constant monitoring of investments in agreement with the objectives approved by shareholders and macroeconomic tendencies;
- abidance by prudential and risk limits in the implementation of investment programs;
- continuation of strategic targets on the average and long-term;
- insuring decision-making transparency through notifications to investors;
- calibration of investment – disinvesting programs depending on the cash need for dividend distribution to shareholders.

EVERGENT Investments will not invest in financial instruments of the total return swap type, within the meaning of the provisions of EU Regulation no. 2365/2015 on the transparency of financing operations through financial instruments and the transparency of reuse.

Information on the Investment Policy is provided to shareholders through the Annual Activity Program (approved by the Ordinary General Meeting of Shareholders), and the Regular Activity Reports of the Board of Directors provide information on how to implement the investment policy. The mentioned documents are displayed on the EVERGENT Investments website, www.evergent.ro, in the Shareholders / GMS and Regular Reports sections.

Chapter 7. ASSETS MANAGEMENT

EVERGENT Investments practices an active management in the companies in the portfolio and increases the degree of implication in adopting resolutions in the interest and benefit of EVERGENT Investments' shareholders.

- *As an active shareholder we want to make sure that the members of the Boards of Directors of the companies we invest in are aware of our vision and take into account the larger implications of their action.*
- *We want to solve possible differences amiably; however, the interests of our shareholders to maximize results shall always prevail.*
- *We promote permanent collaboration relationships with the management bodies of companies we invest in, as we want to share and promote the good experience of both parties, as well as the perspective vision. Direct meetings are also taken into consideration, not only a relationship through correspondence.*
- *We shall regularly assess the performance of the Board of Directors of companies we invest in as well as their compliance to the best corporate governance practices.*
- *The vote option within the general meetings to which EVERGENT Investments participates as shareholder is based on the abidance by the best practices of institutional investors.*

7.1 Increasing the performance of portfolio management

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The practice of an active management in the companies in the portfolio, increase of the degree of involvement in adopting decisions in the interest and benefit of the shareholders of EVERGENT Investments is an important objective of the Board of Directors. The main purpose is to adopt those decisions that would lead to the development of company activity and maximizing profit.

The active management in the companies in the portfolio has materialized in:

- participation to the General Meetings of Shareholders;
- presence of EVERGENT Investments' representatives in the Board of Directors;
- the use of legal instruments to protect or increase the value of interests;
- promotion/implementation of proper corporate governance rules: convening of GMS meetings with the legal notice, request to amend the agendas, request for answers to the questions for information transparency by providing the shareholders with the meetings documentation, in due time, according to applicable provisions, increase of the decision-making process efficiency, etc.
- active monitoring of companies in the portfolio;
- dividend policy.

In the process of *monitoring issuers in the portfolio*, we follow:

1. the quarterly, half-yearly and annual financial reports, reports of directors, censors and auditors and preparation of professional opinions, reports on assigned portfolio, registration in the database of necessary information as per specific procedures;
2. analysis of meeting materials and other relevant information and preparation of suggestions regarding vote method, taking into account the strategic portfolio that the issuer is part of, in order to identify the best representation solution for the purpose of protecting the interests of EVERGENT Investments. Proposals are presented for the approval of EVERGENT Investments' management;
3. Taking the necessary steps to obtain documents that are useful to monitor issuers' evolution and the effects of the implementation of GMS resolutions;
4. insuring the registration of necessary information regarding issuers in the portfolio in the integrated IT system.

7.3 Strategies to exercise vote rights in companies in the portfolio

EVERGENT Investments has prepared „Involvement policies and principles regarding the exercise of rights in companies in EVERGENT Investments' portfolio”, in accordance with the provisions of art. 101 Law no. 24/2017 republished on the issuers of financial instruments and market operations that can be accessed on www.evergent.ro under Corporate Governance.

VOTE POLICY FOR COMPANIES IN THE PORTFOLIO

- In accordance with the best practices, EVERGENT Investments usually supports the suggestions of the companies' managers regarding: the change of the name; change of headquarters; listing; setting of the venue and date for the annual general meeting; accepting/ approving the financial statements; approval of dividend payment; authorization of the transfer of reserves and income assignment; amendments to the individuals with signing authorization; approval of the bookkeeping methods; approval of work agreements; appointment of internal auditors.
- Regarding aspects related to the Board of Directors,, EVERGENT Investments usually takes into consideration the support of management. Nevertheless the vote against the

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management will be considered in case corporate performance has been weak..

- EVERGENT Investments shall consider voting „**for**“: cumulative vote – in order to protect minority shareholders, increase of share capital through reserve contribution.

7.4 Protecting the interests and assets of EVERGENT Investments through legal and out-of-court procedures

The legal assistance, consultancy and representation procedure is carried out by the Legal Department in agreement with EVERGENT Investments' objectives with stress being laid on legal counsel, the solving of possible conflict amiably, and approach of alternate solutions to prevent and solve divergences.

The department is specialized, having attributions and responsibilities on specific activity categories. According to internal norms and procedures, the Legal Department insures the collection, registration, submittal of specific notifications and correspondence, the diligent representation in all cases where the company acts as party, as well as the technical-legal monitoring of the activities carried out by attorneys employed by EVERGENT Investments.

In the legal assistance, counsel and representation activity the corporate governance principles are abided by, and there is a constant concern for the initiation of all measures to protect the legitimate rights and interests of the company, at the same time with the insurance of a full and diligent information of shareholders regarding the status and solving method of litigations.

Chapter 8. DIVIDEND POLICY and BUY-BACK OF SHARES

The priority of the dividend policy is the setting of a dividend level that insures a balance between the satisfaction of shareholders' expectations and the provision of liquidities for the average and long-term investment projects.

8.1. Dividend Policy

EVERGENT Investments has a predictable dividend policy.

In the context of the volatility specific to capital markets, the Board of Directors seeks to strike a balance between the need to secure resources to support the investment programmes to be developed, the expectations of shareholders in the short term, i.e. the distribution of dividends, and the expectations of shareholders in the long term, i.e. the growth of assets under management and therefore the EVER share price.

The Board of Directors intends to remunerate shareholders both through cash dividends and the running of redemption programs through Public Offerings (PO). We consider that the mix of policies that includes dividends assignment and the possibility to subscribe to POs offers a higher yield than that of classical dividend distribution, remunerating invested capital at a level higher than the yields offered by monetary placements.

8.2. Buy-back of Shares

The Board of Directors of EVERGENT Investments may submit to the approval of the shareholders the operation of repurchase of own shares followed by reduction of the share

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capital for the purpose of decreasing or reducing the discount between the price and the unit net assets.

The main objectives of the buyback operations for own shares, with the reduction of the share capital are:

- increase of unitary asset and profit per share, as well as the lowering of net asset and trading price discount
- increase of share liquidity
- increase of shareholders' yields based on the possible support of market stock quote;
- increase of share capital holding for existent shareholders.

Buyback operations will be carried out within the limits set by EU Regulation 596/2014, EU Delegated Regulation 1052/2016, Law 24/2017, Law 31/1990 and within the general limits approved by the shareholders.

The purchase of shares under these market buyback programmes will be carried out using any market operations permitted by law, takeover bids initiated by the company, in compliance with legal provisions.

The sources necessary to finance the repurchase operations shall come from the distributable profit or from the available reserves of the company, as recorded in the last approved annual financial statement, with the exception of legal reserves, in accordance with the provisions of Article 103¹ of Law no. 31/1990, updated.

Chapter 9. HUMAN RESOURCE POLICIES

REMUNERATION POLICY

EVERGENT Investments pays special attention to employees. The company's philosophy reflects its trust in a culture of performance and team, of people sharing the same values.

The Company considers that a strong involvement of shareholders leads to performance, so it supports initiatives for diversity, equity and constantly promotes a collaboration culture.

9.1. Policies in the field of human resources

The continuous training process aims to develop the professional skills of employees needed to increase the company's performance and adaptability to the constantly changing conditions of the macroeconomic context..

Code of Ethics and Conduct

Within EVERGENT Investments there is a Code of Ethics and Conduct that defines the basic values of the company and is the basis of a corporate culture in accordance with the law, focused on ethical principles. The Code is applied and respected by the entire staff of EVERGENT Investments and at the same time by third parties that act for or on behalf of the company.

The basic ethic principles are:

- Reciprocal respect, honesty and integrity;
- correct competition;
- transparency and honesty;
- neutrality.

9.2. Remuneration Policy

The Board of Directors of EVERGENT Investments has set the remuneration policy of the management structure, submitted for the approval of the General Shareholders' Meeting and that of the employees, with the abidance by international principles in the activity sector specific for financial investment companies – „ Directive regarding Alternative Investment Fund Managers” (DAFIA), in compliance with “ ESMA Guide on solid remuneration policies in compliance with DAFIA” and the provisions of EVERGENT Investments' Memorandum of Association.

The Remuneration Policy applies to all employees and represents the framework of remuneration policies for EVERGENT Group subsidiaries.

1. Responsibilities in the drafting and management of the remuneration policy

The Board of Directors has as a basic attribution the setting of remuneration policy, so that it corresponds to the business strategy, long-time objectives and interests and includes measures to prevent the occurrence of conflicts of interest.

The Appointing-Remuneration committee is responsible for the management of remuneration and appointing policies.

It makes sure that the remuneration policies correspond to the business strategy, objectives, values and long-term interests of EVERGENT Investments. For this purpose, the Board endorses, before the approval of the Board of Directors and monitors the abidance by the remuneration policy of directors, executive managers and employees of the Company prepared and adopted by the Company's executive management.

2. Remuneration Principles

Main DAFIA principles transposed in EVERGENT Investments' investment policy:

- (a) Board members must be adequately remunerated for their services in a fair and responsible manner, and shareholders must approve the Board members' remuneration policy;
- (b) The remuneration policy is aligned with the company's strategy and ensures consistency with the risk policy, values and long-term objectives of EVERGENT Investments and its subsidiaries;
- (c) is linked to individual employee performance; it aims to motivate and encourage employees, to improve individual and collective performance, to strengthen a culture based on an objective assessment of each person's contribution and to reward performance;
- (d) approves employee contracts and compensation, severance and retirement benefits, stock-based programs, and other long-term incentive programs, if applicable.

The implementation of the Remuneration Policy within the company and within the EVERGENT Investments group ensures:

- (a) long-term performance, aligning with shareholders' interests while prudently managing risks;
- (b) attracting and retaining the best and most experienced professionals;
- (c) reward levels appropriate to responsibilities and career path;
- (d) transparency for company and group employees and investors.

3. Identification of the categories of staff whose professional activities have a significant impact on the risk profile de

Categories of staff whose professional activities have a significant impact on risk profile are:

- (a) *individuals from the management structure*: executive managers and directors;
- (b) *individuals holding key positions*: compliance officers, employees of the Risk Management department, employees of the Internal Audit department;
- (c) *coordinators of functional departments*.

Remuneration structure. Remuneration of various staff categories

The remuneration structure does not encourage risk-taking that is incompatible with the risk profile, the provisions of the Articles of Association and strict regulations, including sustainability risk. The remuneration structure comprises:

- (a) the fixed component, determined by the level of responsibility undertaken and delegated by decision of the management structure; the fixed remuneration shall be sufficiently high for the professional services rendered, depending on the level of education, level of competence and skills required or professional experience;
- (b) variable remuneration, consisting of annual benefit plan, quarterly awards or special awards;
- (c) the benefit plan is granted depending on the reaching of collective and individual

- performance objectives, implementation by the company of projects and prudential management of operational risks. At the same time, the provisions of the Memorandum of Association and Collective Employment Contract applicable foresee the possibility and not the obligation of the Company to grant the benefit plan;
- (d) There is a proper balance between the fixed and variable part of total remuneration, the fixed component having sufficiently large weight of total remuneration to allow the application of a flexible policy regarding the variable part of remuneration.
 - (e) share-based payment arrangements give staff the right, rather than the obligation, to apply for vesting when conditions are met;
 - (f) where discretionary pension-type benefits are approved as part of variable remuneration, they shall comply with the provisions of point XI.II. Discretionary pension-type benefits in the ESMA Guidelines.

Remuneration of key positions: the level of remuneration of staff holding *key positions* should allow EVERGENT Investments employ qualified and experienced staff in these functions. The benefit plan for staff in key positions should be based on function-specific objectives and should not be determined on the basis of financial performance criteria. Remuneration of individuals in risk management and compliance functions is directly overseen by the Appointing and Remuneration Committee.

4. Remuneration by Shares

In accordance with the provisions of the Memorandum of Association and the resolutions of the General Meetings of Shareholders, the directors, officers and employees of the company are entitled to participate in the benefit plan, which may be granted in cash and by allotment of shares. The granting of benefits in the form of shares can also be done through Stock Option Plan (SOP) programmes, approved by the shareholders, with the following characteristics:

- (a) the distribution of shares issued by EVERGENT Investments to the directors, officers and employees of the company from shares repurchased by the company;
- (b) for managers and directors, the assignment criteria are set in agreement with the provisions of the Memorandum of Association and administration and management contracts;
- (c) for employees, the Board of Directors will set criteria for the identification of SOP recipients, the number of shares that are to be offered to each category of beneficiaries, in agreement with the provisions of the Memorandum of Association, Collective Employment Contract and AIFM law.

5. Remuneration of directors and executive managers of the Company

The Ordinary General Meeting of Shareholders approves the Remuneration Policy for the company's senior executives (members of the Board of Directors and Directors) on the occasion of each significant change and, in any case, at least every 4 years.

Detailed information can be found in the Remuneration Policy approved by the General Meeting of Shareholders posted on: www.evergent.ro.

6. Communication of Remunerations

The annual activity reports of the board of directors include information regarding total remuneration for the financial year, benefits paid to managers and employees and bonus programs to encourage the keeping of employees in the company.

The remuneration report of the most recent financial year is submitted for vote in the annual ordinary general meeting of shareholders, the opinion of the shareholders regarding the remuneration report resulted following the vote being consultative in nature. The Company shall explain in the following remuneration report the way in which the shareholders' points of view and their vote regarding the remuneration policy were taken into account.

Chapter 10. POLICY REGARDING THE PREVENTION AND FIGHT AGAINST MONEY LAUNDERING AND THE FINANCING OF TERRORISM

EVERGENT Investments has created procedures for the activities run within the Company for the prevention and fight against money laundering and the financing of terrorist acts in its relationships with the clients, these being implemented in accordance with Law no. 129/2019 and legislation in the field. The policies and procedures for the prevention and fight against money laundering and the financing of terrorist acts are approved by the CEO; the independent audit function (financial or internal auditor) – regularly tests the efficiency of the policies, internal norms, mechanisms, IT systems and ML/FT risk management procedures, including risk evaluation and methodology for their implementation and update.

ML/FT appointed individuals – the direct leader responsible and ML/FT compliance officer – are appointed by the Board of Directors, abiding by legal requirements. ML/FT compliance officer is directly subordinated to the Board of Directors.

ML/FT appointed individuals are responsible for fulfilling the responsibilities set by the special law in the field, including reports to ONPSB and FSA, if necessary.

Chapter 11. PERSONAL DATA PROCESSING POLICY

EVERGENT Investments is a personal data operator, and in its relationship with certain contract partners acts as authorized entity. The company holds the records of the personal data processing activity through a data registry in accordance with the provisions of art. 30 EU Regulation no. 679/2016.

The company has appointed a Data Protection Officer by contract in accordance with Article 37 of the Regulation. The Company shall ensure that the Data Protection Officer is adequately and timely involved in all matters relating to the protection of personal data. EVERGENT Investments supports the Data Protection Officer in the performance of his/her tasks by providing him/her with the necessary resources for the execution of these tasks, relating to access to personal data and processing operations.

The Data Protection Officer reports directly to the highest level of management. Data subjects may contact the Data Protection Officer on all matters relating to the processing of their data and the exercise of their rights under the Regulation. The Data Protection Officer shall be bound by the obligation of secrecy or confidentiality in the performance of his/her tasks in accordance with Union and national law.

Chapter 12. SOCIAL RESPONSIBILITY

Through all its actions, EVERGENT Investments aims to be an integral part of the community, with a team of strong-valued professional who aim to generate value for the full spectrum of stakeholders. The company engages in social responsibility activities by supporting them directly or through

foundations or specialized associations in order to build a strong community. The numerous initiatives and projects it has been involved in during the years reflects the company's mission to build resilient communities.

Education is an essential factor in the sustainable development of society. EVERGENT Investments has strategic partnerships with universities, schools or organizations to support performance in education, creating connections between the local business environment and the national or global academic community. EVERGENT Investments' mission is to discover talented young people and support them on their journey to excellence.

EVERGENT Investments supports the health sector on several levels, so that the medical act can be carried out in conditions aligned with European standards.

EVERGENT supports culture because it wants young people to acquire Romanian identity, to cultivate their curiosity and critical spirit. Through art and culture, it encourages dialogue among all generations.

Sport is about perseverance, perseverance, overcoming limits, team spirit, performance and its continuity. EVERGENT Investments supports both novice and experienced athletes in achieving their goals.

Communities and companies share the same interests in terms of positive impact on society. EVERGENT Investments' involvement in the community is aimed at sustainable economic development. Creating new jobs and helping disadvantaged people to integrate into the community are sustainable mechanisms for long-term intervention in society.

Claudiu Doros

CEO and President of the Board