

Policies and procedures for the assessment of persons in the management structure and the persons holding key positions within EVERGENT Investments

The policies and procedures for the assessment of the persons in the management structure and the persons holding key positions are prepared in application of the provisions of *Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority*.

From the perspective of Regulation no.1 / 2019 EVERGENT Investments is considered a **significant entity**, defined in art.2, paragraph (2), item k.

The policies do not apply to EVERGENT Investments' subsidiaries, entities not regulated by ASF.

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1. Reference documents

Reference documents regarding the assessment procedures for the persons in the management structure and of the persons occupying key positions:

1.1. Normative references:

- (a) Regulation no. 1/2019 regarding the assessment and approval of the members of the management structures and of the persons holding key-functions within entities regulated by the Financial Supervisory Authority, hereinafter referred to as *Regulation*;
- (b) Law no. 24/2017 on the issuers of financial instruments and market operations;
- (c) Law no. 297/2004 on capital market;
- (d) Law no. 74/2015 on the managers of alternative investment funds;
- (e) Companies' Law no. 31/1990, republished with its later amendments and additions;
- (f) Memorandum of Association of EVERGENT Investments SA (FSA Authorization no. 176/14.06.2018);
- (g) Corporate Governance Code of EVERGENT Investments.

1.2. Related documents:

- (a) Specific provisions included in other normative documents
- (b) Decisions and / or provisions (orders / orders of measures) of the management structure of EVERGENT Investments.

1.3. Definitions, in accordance with art.2 line (1) of the *Regulation*

a) **adequacy** - all the qualities and attributes based on which a person is deemed to have a good reputation and which has, both individually and collectively, together with other persons, as applicable, the knowledge, skills and experience necessary to fulfill the attributions specific for the job; adequacy also covers the honesty, integrity and independent thinking of each person, as well as his/her capacity to allocate sufficient time to fulfill his/her duties;

b) **collective adequacy** – all the qualities and attributes of the entire management structure which are applied to the regulated entities for which the specific legislation applicable to the respective entity provides it;

l) **independent thinking or independence of mind** - the capacity of members of the management structure to express their own opinions, to issue objective judgments and independently adopt decisions during debates;

m) **integration** - any action or program undertaken with the purpose of preparing and actually establishing in function the person that is to hold a certain position within the management structure;

n) **training** - any action or program undertaken with the purpose of improving the knowledge, skills and experience of the members of the management structure, on a continuous basis or for a certain purpose or in a certain circumstance;

p) **person holding key-functions**- a person whose attributions have a significant influence on

the fulfillment of the strategic objectives set by the regulated entity, which is not part of the management structure, fulfilling, within the regulated entity, according to the legislation specific to the financial supervision sector, as the case might be, one of the following attributions:

- (i) risk assessment and management (risk management);
 - (ii) compliance and/or internal control, according to the specific legislation;
 - (iii) internal audit
- q) **assessed person** - person proposed by a regulated entity for filling in a position within a management structure or for holding a key function and/or exercising attributions corresponding to compliance officers or persons assigned to apply Law no.656/2002 and the provisions of the Government Emergency Ordinance no.202/2008;
- s) **the principle of proportionality**- follows the correlation between the complexity and detail of policies, processes and procedures related to the adequacy of assessed persons and the nature, size and complexity of the risks inherent in the business carried out by the regulated entity;

2. Management Structure

2.1. The management structure of EVERGENT Investments, defined in accordance with art. (2) letter e) and k) of *Regulation* is represented by:

- The Board of Directors is comprised of 5 members, natural individuals, elected or appointed by the Ordinary General Meeting for a 4 years' period, with the possibility of being reelected. The invalidation of one or more members of the Board of Directors by the competent authority leads to the individuals in question losing their manager quality. The members of the Board of Directors are authorized by FSA.
- The Management Committee comprised by directors who can also be directors of the company. The Management Committee insures the supervision of the company's activity between the meetings of the Board of Directors within the limits of the assigned competencies. The setup and dissolution of the Management Committee are approved with the majority vote of directors.
- the executive management of the company is ensured, in accordance with the provisions of the Articles of Incorporation and of the regulations in force, by the CEO and respectively the Deputy CEO. By decision of the Board of Directors, a person / persons may be appointed to replace the directors.

The management structure of EVERGENT Investments includes a proper number of members and has a composition that abides by the adequacy procedure.

2.2. The role and obligations of the management structure:

- (a) It develops the relevant criteria for the monitoring of executive management/ higher management's activity and that of the regulated entity as a whole, and evaluates the way the criteria are applied on a yearly basis (Memorandum of Association, art. 7 line (19), letter i¹);
- (b) It approves assessment policies and procedures for the assessed persons, for the assessment of their prior and constant adequacy;
- (c) It approves the procedure regarding the management of conflict of interest at the level of the Company;
- (d) It verifies if the assessed persons meet the requirements foreseen by the present procedure, in accordance with applicable legal provisions;
- (e) It takes on responsibility for the assessed individuals meetings the requirements foreseen in the present procedure, in accordance with applicable legal procedures;

- (f) Immediately notifies FSA about the situation occurred following the approval/notification that cause the assessed persons to no longer meet the requirements foreseen in the present procedure, according to incidental provisions;
- (g) nominations for the renewal of the term of office of members of the management structure shall take place only after an analysis of the member 's performance in the previous term of office. The management structure makes sure that:
 - it identifies, selects qualified and experienced members;
 - it properly plans the succession of members in the management structure, in accordance with all legal requirements regarding the members, appointment or succession of management structure;
- (h) it ensures the archiving of documents that certify the fact that assessed individuals meet the requirements foreseen by the present procedure, at the headquarter of the company for at least 5 years from the case of work /contract relationships of the assessed individuals, to be available for verification, at FSA's request, whenever necessary.

3. Persons who hold key-functions; assessed persons – presentation

The key-functions in EVERGENT Investments, defined according to art. (2) line (2) letter p) item i), ii), iii) of the *Regulation* are:

- Compliance officer(s) – FSA authorized function;
- Personnel of the risk management department – FSA certified function;
- Personnel of the internal audit department – function notified to FSA at least 15 work days before starting the exercise of attributions

Persons authorized to apply Law no. 656/2002 on the prevention and sanctioning of money laundering and on setting up of certain measures for the prevention and combating terrorism financing and GEO no. 202/2008 regarding the application of international sanctions¹ – are **assessed individuals**, in accordance with art. (2) line (2) letter q) of the *Regulation*. These are notified to FSA at least 15 work days before the individuals start to exercise their attributions.

4. The role and obligations of the Appointing-Remuneration Committee

The Appointing-Remuneration Committee is responsible for the regular assessment of the adequacy of the members of management structure (individual and collective assessment) and key-functions (individual assessment) and to prepare a report to present to the management structure, presenting the results of the assessment of the adequacy depending on the following criteria:

- (a) Dedicated time/assignment of sufficient time for the exercise of that function;
- (b) Compliance of the members of the management structure to the provisions regarding the limitation of the number of management functions foreseen by specific legislation;
- (c) Sufficient knowledge, competence and experience to exercise the function;

¹ (3) The persons who exercise the attributions foreseen in art.2 letter p) item (ii) (**note: compliance officers**) may at the same time exercise the attributions corresponding to compliance officers or other assigned individuals for the application of Law no. [656/2002](#) for the prevention and sanction of money laundering, as well as for the institution of measures to prevent and fight terrorism financing, republished with its later amendments and additions, and Government's Emergency Ordinance no. [202/2008](#) on the application of international sanctions, approved with amendments by law no. [217/2009](#), with its later amendments and additions.

- (d) Reputation, honesty and integrity;
- (e) Independent thinking.

5. Assessment Procedure

5.1. General aspects regarding the assessment procedure

EVERGENT Investments verifies the fulfillment of legal requirements, assesses beforehand the adequacy of individuals for whom it requests approval or whom it notifies to FSA and constantly monitors the individual adequacy of the assessed individuals.

In case that, following the assessment or re-assessment carried out, EVERGENT Investments ascertains that the assessed person is not suitable for the performance of the function, it will inform the assessed person and, depending on the case, FSA and the shareholders and shall initiate the necessary steps to submit another designated person for FSA approval.

EVERGENT Investments informs FSA, no later than 5 work days from the date it become aware of, about any significant deficiencies identified regarding any of the assessed persons along with the corrective measures taken or considered to remedy them and their application schedule.

EVERGENT Investments assesses the individual and collective adequacy of the members of the management structure, separately for the members of the board and executive management. The collective assessment of the adequacy of members of the management board is made using its own template, approved by the Appointing-Remuneration Committee.

For the general meetings of shareholders that have the appointing of managers on the agenda, shareholders are presented before the meeting the results of the individual or collective assessment of the candidates' adequacy.

EVERGENT Investments provides the shareholders, for the purpose of electing the members of the board:

- a) Specific information that presents the obligations that the board members have within the company and regarding the adequacy requirements foreseen by specific law, so that the decisions are made in full awareness of cause;
- b) List of candidates recruited or selected taking into consideration legal provisions.

The company has procedures for the integration and training of the members of management structure, separately for the board and for executive management, both individually and collectively, for the purpose of obtaining, maintaining and improving the knowledge and competence required to fulfill the attributions of the management structure.

5.2. Assessment of the collective adequacy of the management structure

The collective adequacy of the members of management structure is assessed separately for the board members and for executive management.

The members of the management structure collectively have:

- a) Competencies to be able to make adequate decisions in accordance with the business plan/ business model, risk appetite, strategy and markets on which the company operates;
- b) all the knowledge and skills necessary to carry out the company's activity, including a sufficient number of members with knowledge in each field, to substantiate their opinions in the decision-making process.

The members of the board collectively have the ability to monitor, validate, and challenge, depending on the case, the decisions of executive management.

The members of the management board must reflect the knowledge, skills and experience necessary to fulfill the responsibilities, including the proper understanding of areas of interest for collective responsibility and the overall vision of the company in order to effectively manage and supervise its work, taking into account:

- a) the field of activity, the activities carried out, the business strategy and the main risks related to them;
- b) financial analysis, capital adequacy requirements and reports specific to the company's activity;
- c) the governance system including managerial competencies and key functions related to risk management, compliance and internal audit;
- d) security of data and information systems;
- e) group governance and risk management related to the group structure;
- f) the legal framework applicable to the regulated entity.

On the collective assessment of the members of the management structure, the results of the individual assessment of each member and the adequacy of the entire group are taken into consideration. The weak points identified in the general composition of the management structure do not necessarily lead to the conclusion that a certain member is not adequate, individually.

The result of adequacy assessments, including collective adequacy are submitted to FSA, together with the documentation and information foreseen in art. 40 of the *Regulation*, as follows:

- a) for all members of the board approved by the General Meeting of Shareholders, irrespective of the result of the assessment made by the company;
- b) for assigned persons in executive management who have been validated by the Board.

5.3. Individual assessment of the members of the management structure

EVERGENT Investments requires that the members of the management structure prove their adequacy by presenting at least the documents requested by FSA for adequacy assessment, in agreement with the provisions of Section 2 of the *Regulation*.

In the individual assessment of a member of the management structure, EVERGENT Investments:

- a) analyzes the information on adequacy through different ways, channels and tools, without being limited to: diplomas and certificates, letters of recommendation, curriculum vitae, interviews, questionnaires etc.;
- b) analyzes the information regarding reputation, integrity and honesty, as well as independent thinking;

- c) requests the assessed person to prove the accuracy of the information presented, if necessary;
- d) requests the assessed person to declare any current or potential conflicts of interest
- e) Validates, to the extent possible, the accuracy of the information presented by the assessed individual;
- f) Establishes the results of the assessment within its board, or, depending on the case whiten the Appointing-Remuneration Committee.

In case a situation is identified that raises concerns about the eligibility of a member, it shall be assessed if that situation has an impact on the adequacy of the assessed individual and if necessary, the useful corrective measures are set to ensure the individual suitability of the members of the structure.

EVERGENT Investments documents the description of the function for which the assessment is made, its role within the entity and presents the results of the adequacy assessment according to the following criteria:

- (a) Dedicated time/assignment of sufficient time to exercise that particular function;
- (b) Compliance of the members of the management structure with the provisions regarding the limitation of management functions foreseen by specific law;
- (c) Sufficient knowledge, competence and experience to exercise the function;
- (d) Reputation, honesty and integrity;
- (e) Independent thinking.

5.4. Monitoring and re-assessment of management structure

Continuous monitoring of the individual and collective adequacy of the management structure members mainly monitors of a member of the entire management structure remain adequate, taking into consideration individual or collective performances and the situation or event that required a new assessment as well as the impact that this situation has on the fulfillment of the adequacy requirements.

The process of individual or collective reassessment of the members of the management structure takes into account the following aspects, without being limited to them:

- a) Efficiency of the management structure, with reference to the work process, information flow and reporting lines to the management structures, taking into consideration the reports and recommendation submitted by the representatives who fulfill compliance, internal audit functions;
- b) the effective and prudent management of the entity, including the good faith of the management structure in the activities carried out in the interest of the company;
- c) the ability of the management structure to focus on aspects of strategic importance;
- d) the frequency of meetings, the time devoted, as well as the degree of participation and involvement of members during meetings;
- e) any change in the composition of the management structure and any deficiencies in its individual and collective adequacy, taking into account the business model of EVERGENT Investments, the risk strategy and its modification;
- f) the performance objectives set for the regulated entity, but also for the management structure;
- g) independent thinking of the members of the management structure, respect for the principle of independence and compliance of the members with the policy on conflicts of interest;

- h) the extent to which the members of the management structure has met the objectives set out in the diversity policy in accordance with art. 9 of the Regulation, where applicable;
- i) any events that may have a significant impact on the individual or collective adequacy of the members of the management structure, including changes in the business model, strategies and organization.

EVERGENT Investments re-assesses the management structure at least once a year. The conclusions of the reassessment reports, reasons for reassessment as well as any other information, recommendations and vulnerabilities identified are substantiated and submitted to the management structure. EVERGENT Investments informs FSA without delay, no later than 5 work days from ascertainment, if following the revaluation it ascertains that a member is not adequate or in case it ascertains that the management structure is not collectively adequate, including the measures suggested or taken to remedy this situation.

5.5. Assessment of the adequacy of key functions

EVERGENT Investments assesses persons holding key functions before their appointment. The assessment result is presented to the persons appointed in key functions and management structure and attached to the notification or approval request submitted to FSA.

EVERGENT Investments shall adopt adequate measures to replace the individual assessed by FSA as inadequate to exercise the key function and ensures, until the appointment of another individual, the continuity of the exercise of that particular function by a member of executive management or by another person appointed in accordance with the law.

5.6. Conditions that must be met by persons in the management structure and persons holding key-functions

The members of the management structure of EVERGENT Investments, shall cumulatively meet the minimum requirements regarding integrity, professional qualification and experience foreseen by legal regulations, as well as:

- (a) They are graduates of a Bachelor or diploma examination from a high education institution;
- (b) They meet the general requirements foreseen by Companies' Law no. 31/1990 republished, in its later amendments and additions;
- (c) Have the theoretical knowledge, competence and practical and professional experience that is relevant and adequate for the nature, extent and complexity of EVERGENT Investments' activity and their assigned responsibilities.

Board members should have relevant experience of at least 3 years to exercise their attributions, unless the law states otherwise.

Persons who ensure executive management should meet the following requirements:

- (a) They are graduates of a Bachelor or diploma examination from a high education institution;
- (b) individually experience in management positions of at least 3 years, as well as practical and professional experience in the financial-banking field or relevant specialized fields, in accordance with the nature of the activity carried out by entities, of at least 5 years,

unless the law provides otherwise. By way of exception, depending on the nature and complexity of the entity concerned, the experience in management positions of persons may be less than 3 years, but may not be less than 1 year. (art. 11 paragraphs (6) and (7) of the Regulation)

(c) individually meet the general conditions foreseen by Companies Law no. 31/1990.

Persons holding key-functions should meet the following conditions:

- (a) they hold relevant experience for the attributions they are to fulfill, of at least 3 years;
- (b) have participated in training courses or have passed the test of knowledge of the legislation in force specific to the field of activity of the financial supervision sector, organized by the providers of training programs operating in the three financial markets under the supervision of ASF, as the case may be, unless otherwise provided by law.

All persons from the management structure and persons holding key-positions in EVERGENT Investments should meet and maintain, for the entire duration of their carrying out the activity, the requirements foreseen in the *Regulation* regarding:

- a) knowledge, competence and professional experience;
- b) reputation, honesty and integrity
- c) governance.

Verification by EVERGENT Investments of the meeting of the individual adequacy requirements of all assessed individuals is made:

- a) in case of changes in the management structure:
 - appointment of new members in the management structure;
 - appointment of persons from a different quality than that previously assessed, if the job requirements have changed more than
 - 50%;
- b) in case the risk profile and business plan significantly change;
- c) In case new individuals are appointed to exercise key-functions.

5.7. The assessment of knowledge, competence and professional experience sufficient to exercise the function takes into consideration the following aspects:

- a) the theoretical knowledge and competencies obtained based on them, practice and professional training;
- b) practical and professional experience gained in previously held positions;
- c) knowledge and skills acquired and proven through professional conduct as a member of a management structure or in the exercise of other functions, as appropriate.

When the practical and professional experience gained from previously held positions by members of the management staff are assessed, the following aspects are mainly taken into consideration:

- a) nature of the management function held and its hierarchic level;
- b) how long the function was covered;
- c) the nature and complexity of the activity, including information on the organizational structure of the entity he previously worked in;
- d) area of competence, decisional competence and responsibilities of the person;
- e) technical knowledge acquired in his previous positions;
- f) number of individuals under his subordination.

5.8. Assessment of the requirement regarding *good reputation, honesty and integrity* takes into consideration:

1. If there are not objective provable reasons to indicate the contrary;
2. If there is information regarding the existence of one of the following situations, without being limited to them:
 - a) Conviction or criminal investigation in cases regarding:
 - Crimes foreseen by the financial-banking legislation, crimes foreseen by money laundering and the financing of terrorism law or crimes related to corruption;
 - Crimes against the patrimony, or other crimes specific for the economic/financial field;
 - Crimes foreseen by tax law;
 - Other crimes foreseen by companies' law, bankruptcy, insolvency as well as consumer protection law;
 - b) Previous or current measures or sanctions, taken by any regulation authority or professional body for the failure to abide by any relevant provisions that regulate activities in the financial-banking field;
 - c) Aspects related to professional performance, as well as the financial stability of the member of the management structure, taking the following into consideration:
 - (i) presence of entries in the criminal record;
 - (ii) financial results of the entities held or managed by the member or in which the assessed member has held or holds significant interest or influence; special attention is paid to financial redress procedures, bankruptcy, liquidation and how that particular member contributed to the situations that led to these procedures;
 - (iii) Declaration of personal bankruptcy;
 - d) The assessed person was in one of the following situations:
 - i) Has not proven transparency, openness and cooperation in relationship with regulatory authorities;
 - ii) Was a member in the management structure of an entity that was subject to the dismissal of an approval, for reasons related to the assessed person, or a sanctioning decision by a regulated authority, or whose registration or authorization has been withdrawn by a regulating authority;
 - iii) Was denied, withdrawn or forbidden the right to carry out activities that require the registration or authorization by a regulating entity;
 - iv) Was a members in the management structure of an entity that entered insolvency or involuntary liquidation, in the period when he had contract relationships with that entity or within one year from the date the relationship with that entity ceased;
 - v) Was fined, suspended or sanctioned for fraud, embezzlement, or in relation with the supply of financial services or data;
 - vi) Was revoked or fired due to imputable reasons, according to applicable law, from the position of manager or another management function or a relevant position;
 - vii) There are evidence according to which the activity carried out by that individual was not compliant with conduct rules.

5.9. Assessment of the meeting of *governance* requirements refers to:

- a) The existence of a conflict of interest;

“conflict of interest – that situation or circumstance that may occur in the operational or decisional process, in which the direct or indirect personal interest of the assessed persons within the regulated entity contravenes to its interest, so that it affects or could affect the independence and impartiality in making decisions, professional reasoning or timely and objective fulfillment of duties related to his attributions, or that could affect, through their nature, the integrity or stability of the entity or financial market; “

EVERGENT Investments has implemented rules and procedures for the management of possible conflict of interest situations that are added the following aspects:

1. the company must go through a rigorous process of reviewing and approving members before engaging in certain activities, such as holding positions in other governing bodies to ensure that those activities will not create conflicts of interest.;
 2. the members have the obligation to promptly disclose, both EVERGENT Investments and A.S.F., the aspects that could generate or have already generated conflicts of interests, taking into account in particular the circumstances described in art. 17, par. 3, lit. a) -c) of the *Regulation* and which could impede their ability to perform their duties objectively and independently;
 3. each member of the management structure shall identify and present in the meetings of the management structure any circumstances that could give rise to conflicts of interest of a nature and that might impede their ability to fulfill their responsibilities in an objective and independent manner.
 4. The management structure evaluated any other circumstances that could give rise to a conflict of interest and approves measures for their management and mitigation including the abstain of the member to vote for any matter in which he could be in a potential conflict of interest
 5. EVERGENT Investments notifies A.S.F. about the conflict of interest situations that might affect the independent thinking of a member of the management structure, including measures ordered;
 6. The existence of at least one circumstance that could give rise to a conflict of interest does not automatically prevent a member or possible member to be part of the management structure of EVERGENT Investments.
- b) The ability to carry out the activity effectively and to allocate the proper amount of time for its exercise
- c) The ability of the individual to fulfill the attributions assigned to him independently, as well as relevant aspects that could results from the analysis of information obtained regarding:
- Activities carried out in the previous and current functions, exercised within EVERGENT Investments or other entities;
 - Personal relationships, professional relationships or other economic relationships with the members of the management structure within EVERGENT Investments or within other entities of EVERGENT Investments Group;
 - Personal, professional or other economic relations with the shareholder that hold control over EVERGENT Investments, or other entities within the Group

The assessment is carried out in accordance with art. 16 of the *Regulation* “Simultaneously held management functions” and art.17 “Independent thinking and conflicts of interests.”

- d) Abidance by other specific adequacy requirements of the members of the management structure, foreseen by internal rules/ statutory documents.
- e) Restrictions and incompatibilities between the assessed function and functions held within EVERGENT Investments or within other entities as defined by specific sectorial legislation.

In EVERGENT Investments' case, **incompatibilities of the members of the management structure** are regulated by incidental legislation (FSA Regulation no. 9/2014, FSA Regulation no. 10/2015) and Memorandum of Association of companies in which the person holds management functions/ is employed/ has had contract relations with.

FSA Reg. no.9/2014 Members of the board of directors/ supervisory council and directors/ members of the directorate SAI, as well as individuals replacing the latter	FSA Reg. no.10/2015 directors/members of the directorate of a FSA authorized AIFM as well as individuals replacing them	FSA Reg. no.10/2015 Members of the board of directors /supervisory Council/ supervisory council of the FSA authorized AIFM F. [management bodies defined by art 1 item 4 of (EU) Regulation no. 231/2013]
a) Not to be members of the board of directors/ Supervisory Board or directors/members of the directorate of: – Another investment management company, investment company – A credit institution that fulfills the function of depositary for one of the managed collective placement bodies	a) Not to be members in the board of directors/ supervisory board or directorate/ members of the directorate of: – Another AIFM. – Depositories of AIFs managed – A financial investment company (S.S.I.F.) with which AIFM has entered a brokerage contract	a) Not to be members of the board of directors/ supervisory board or directors/ members of the directorate of – Another AIFM – Investment management company/ – Investment company – Credit institutions that fulfill the depositary function for any of the managed collective placement bodies
b) must not be members of the board of directors/ supervisory council of a SSIF with whom SAI has entered a financial brokerage contract		b) must not be members of the board of directors/ supervisory board of a S.S.I.F. with whom AIFM /SAI has entered a financial brokerage contract
c) must not be employed or have any kind of relationship with another SAI or an investment company (art. 23 (1 letter d item 2)	b) must not be employed or have any kind of contract relationship with another AIFM with the exception of other entities that belong to the same group; (art. 8 (1), letter c)	c) must not be employed or have any kind of contract relationship with an investment company, with the exception of other entities belonging to the same group;
d) cannot be significant shareholders, cannot hold a position or be employee of another SAI or self-managed investment companies. For the members of the board of directors /supervisory board, the restriction does not apply in case these individuals are part of the Board of Directors/Supervisory board of an entity within the Group (art. 23 line 2).		

The person(s) replacing members of executive management (person(s) appointed as “director replacement” (art. 23 line (1) letter e of FSA Regulation no. 9/ 2014, art. 37 line (4) of the *Regulation*) meet(s) the same requirements as the members of executive management with the exception of the work program that can be part-time (Regulation no. 9/2014, art. 23 (1), letter e); Reg. 10/2015, art. 8 (1), letter i).

Persons appointed for **key-functions** cannot be directors of companies where EVERGENT Investments is shareholder.

The compliance officer has the following incompatibilities:

- (a) not to exercise any attribution such as those they have to verify
- (b) to carry out activities that are specific for the compliance function only within that particular AIFM
- (c) not to be a significant shareholder of AIFM, and not to be member of the Board of Directors/Supervisory Board or director/ member of the directorate and not hold the position of financial auditor for AIFM, a SSIF with whom the AIFM has entered a brokerage contract, not to be involved with another AIFM/SAI or another depositary of AIF managed by AIFM and not to be employed by another AIFM / another SAI or another depositary within the department/office that carries out activities related to depositary activity;

The personnel of the risk management department has the following incompatibilities:

- (a) not to carry out portfolio management activities
- (b) the independence of the function should not be affected by the fact that the risk management activity are closely related to the investment process
- (c) carry out activities specific to the function only within that particular AIFM;
- (d) not to be a significant shareholder of AIFM, not to be a member of the Board of Directors/ directorate member, not to be the financial auditor of AIFM , SSIF with whom the AIFM has entered a brokerage agreement, not to be a person involved with another AIFM /SAI or a AIF depositary managed by AIFM and not to be an employee of another AIFM / another SAI or a depositary within the department /office that carried out depositary activities;

The staff of the internal audit department has the following incompatibilities:

- (a) shall not audit activities or functions previously carried out or held, unless at least 12 months have passed since
- (b) shall not engage in operations of the company, he will not be able to initiate or approve operations not related to internal audit
- (c) shall not plan or implement internal control procedures or any other procedures of the company
- (d) cannot be appointed to carry out internal audit missions in other departments within the internal auditor company that is in conflict of interest
- (e) cannot be subjected to external interferences regarding the definition of his sphere of intervention, the effective accomplishment of the works and communication of results
- (f) will not supervise the activity of any department
- (g) persons who are spouses, relatives or relatives up to the fourth degree, including those in the executive management, may not be internal auditors of the company.
- (h) internal auditors may not be appointed to perform internal audit assignments in a department, if they are married or related up to the fourth degree, including those in its management.

Without prejudicing the objectiveness and impartiality of internal audit, at the request of the Board of Directors and Executive Management, the staff of the internal audit department may express opinions related to the way in which internal control principles are abided by under certain specific situations, such as: large-scale reorganizations, the start of new important or risky activities, the establishment or reorganization of the risk

management control system, the information system, various aspects related to the implementation of certain contracts, certain risk areas identified by management, etc.

The internal audit activity may provide assurance services in case it has previously delivered counseling services, provided that the nature of the counseling does not affect its objectivity.

Internal auditors may provide counseling services in connection with the performance of operations for which they have had prior responsibilities. If the independence or objectivity of the internal auditors could be affected in relation with the suggested counseling services; the auditors should inform the client about the engagement before accepting the assignment.

6. Submission of applications for ASF approval / notification of the assessed persons

For each of the assessed persons appointed within the management structure or in order to exercise authorized key-functions, EVERGENT Investments submits for FSA approval, before exercising the attributions.

In case the attributions specific for a key-function are divided among more individuals assigned by the regulated entity, the individual approval for each individual is requested. In case the exercise of attributions specific for key-functions is within a distinct organizational structure, EVERGENT Investment may request the approval for only the person leading it.

The procedure is completed when necessary, with the documents presented under chapter 1 of the present procedure.

CEO

Claudiu DOROS

Michaela Puscas
Compliance officer