Evergent INVESTMENTS

EGMS
April 27/28, 2023
Item 2

AIFM authorised by FSA under no. 20 of January 23, 2018

RIAIF authorised by FSA under no. 101 of June 25, 2021

Approval of own share buyback programs no. 8 and 9, in compliance with the applicable legal provisions and meeting the following main characteristics:

a) Purpose of the programs: The company will buy back shares in order to carry out *"stock option plan"* (Program 8), as well as to reduce the share capital, by canceling the shares (Program 9).
b) Number of shares that can be bought-back: (i) maximum 9,200,000 shares through market operations (0.956% of the registered share capital) for distribution to employees, directors and managers of the Company, within the *"stock option plan"* programs (Program 8) and (ii) maximum 10,000,000 shares (1.039% of the registered share capital) through a public purchase offer, in order to reduce the share capital by canceling the shares (Program 9).
c) Minimum price per share: the minimum purchase price will be the BSE market price from the time of the purchase.
d) Maximum price per share: 2 lei.
e) Duration of each Program: maximum 18 months from the date of registration of the resolution in the Trade Register.
f) The payment of the bought-back shares shall be made from the distributable profit or from the company's available reserves, rentered in the last approved annual financial statement, except for the legal reserves registered in the 2022 financial statements, in accordance with the provisions of article 103 index 1 of Companies' Law no. 31/1990.

   Empowering the Board of Directors and individually its members to adopt all the necessary decisions in order to carry out the resolution, including going through all the stages and formalities for implementing the programs, applying the allocation criteria, determining the beneficiaries and the number of rights/options to acquire shares, the period of exercising the rights, the preparation and publication of information documents in accordance with the law.

A) Presentation of the internal regulatory framework regarding the share treasury buyback programs

The internal procedural framework covers capital operations, including the redemption of treasury shares, within the documents authorized by the Financial Supervisory Authority or approved by the General Meetings of the Company's shareholders, as follows:

1. **Memorandum of Association - Art. 5. *Buy-back of shares***
   (1) The buy-back of treasury shares may be done subject to the legal provisions, including those of the European Union law directly applicable and of the competent authority, through resolution of the General Meeting of Shareholders and with the approval of the Financial Supervisory Authority.
   (2) Bought-back shares may be used for the purpose of lowering the share capital, stabilizing the own share price on the capital market or to remunerate the directors, managers and employees of the Company, in agreement with legal regulations in force, remuneration policies and practices and the provisions of the Memorandum of Association. The payment of shares received during the buy-back of treasury shares programs for the purpose of lowering the share capital, is made exclusively from own sources.

2. According to the company's documents that laid at the base of the authorization as an AIFM (including the Memorandum of Association) it was expressly provided that the company is to carry out capital operations respectively:
   - share capital increases in order to ensure resources for the implementation of investment programs;
   - share capital lowering for the purpose if increasing investors' yields;
   - share buy-back programs for the purpose of lowering the share capital through share annulment and for the purpose of raising the interest of management and employees, to increase the efficiency of the management act, in agreement with AIFM/AIF legal regulations on remuneration;
   - nominal value splitting, consolidation.

3. In the „**Fund Rules**" under Section 3.2 it is expressly stated that the Company aims to satisfy the long-term interests of shareholders. The Board of Directors being authorized to act for the purpose of increasing share value, including through the running of share buy-back programs.

   Section 3.2.Description of AIF objectives - EVERGENT INVESTMENTS SA
   „The key elements of the Strategy and investment policy of EVERGENT INVESTMENTS are based on an allocation of resources to ensure the sustainable development of EVERGENT INVESTMENTS' activity and the satisfaction of shareholders' interests, both in the short term and in the long term. The solid and supported investment policy is the basis for the long-term increase in the value of managed assets, a fundamental element for strengthening investor confidence.

   A key element of the investment policy is the Remuneration policy for the shareholders of EVERGENT INVESTMENTS, that foresees:
   - In the context of the volatility of the capital markets, the Board of Directors seeks to find a balance between the need to ensure the resources to support the investment programs to be developed, the expectations of the shareholders in the short term, respectively the distribution of dividends and the expectations of the shareholders in

the long term, respectively the increase in the value of the assets administered (NAV) and implicitly of the price;
- The Board of Directors intends to remunerate shareholders both by granting cash dividends and by running buy-back programs through Public Purchase Offers (PPOs). It is considered that the mix of policies that include the granting of dividends and the possibility to subscribed within certain PPOs offers a higher return than that in case of classic dividend distribution, remunerating the invested capital at a higher level than the returns offered by monetary investments."

4. Provisions on the remuneration policies and practices are approached in:

4.1. **Memorandum of Association EVERGENT Investments** (FSA Authorization no. 108/13.07.2022) includes the remuneration principles for directors and employees:
"Art. 7. Board of Directors
(11) ... The directors and managers participate in the benefit plan, inclusively paid by share allocation or option allocation to acquire company shares, amounting to 5% of the realized net profit and net revenue from transactions reflected in reported result. The actual level of this participation is established by the board of directors, after the approval of the annual financial statements in the General Meeting of Shareholders".

Art. 14. Remuneration policies and practices.
(1) Remuneration policies and practices are compliant with legal regulations and directives applicable to A.I.F.M and abide by the following basic principles:
(a) The remuneration policy is aligned with the Company's strategy and is compatible with the investment policy, risk policy, long-term values and objectives of the Company.
(b) The remuneration of the Company's directors, administrator and employees is comprised of a fixed and a variable component.
(c) There is an appropriate balance between the fixed and the variable component of total remuneration, with the fixed component having a sufficiently large percentage of total remuneration to allow for a flexible policy on variable components of remuneration. The benefits plan for administrators, directors and employees is also granted in shares or options to acquire shares of the company. At least 50% of the variable remuneration will consist of shares or options to acquire shares within the Stock Option Plan type programs, in compliance with the legal regulations in force.
(d) Variable remuneration is granted according to the achievement of the collective and individual performance targets, Company's implementation of projects and prudential management of operational risks.
(2) The fixed and variable component of the directors and administrators' remuneration is set in Art. 7 line (11) of the Memorandum of Association. The directors and administrators of the Company have the right to participate to the benefits plan as participation to the Company's profit in cash and/or in shares. The performance indicators and criteria for the granting of variable remuneration are presented in the Administration and Management Contracts.
(3) The Company's employees may benefit from the right to participate to the benefits plan, in the form of profit share, according to the performance criteria and indicators set in the Collective Employment Contract and internal regulations.

4.2. At the same time, on company level, the following are applied:
- Remuneration policies and practices for personnel categories whose professional activities have a significant impact on the risk profile;

- Remuneration policy for company leaders (members of the Board of Directors and directors) approved by the General Meeting of Shareholders by Resolution no. 3 on 28th January 2021.

The application of remuneration policies is verified by financial auditors and explained in the annual directors' reports that are presented for shareholders' vote.

B) Presentation of the impact of previous buy-back programs approved by the EGMS of 20.01.2022 and EGMS of 28.04.2022

B.1 Presentation of the impact of Buy-back program no. 6 approved by the EGMS Resolution no. 4 of 20.01.2022 in order to lower the share capital through share annulment, according to which, the Company will buy-back a maximum number of 23,100,000 shares (maximum 2.402% of share capital).

The Share Buy-back Program approved by EGMS on 20th January 2022 was run between 26.01.2022 - 06.10.2022.

Within the approved program, a number of **23,100,000** shares (2.4019% of share capital) were bought back for an average price per share of **1.2141** lei, the total purchase price being **28,045,385** lei.

The value of the buy-back program with the approved purpose of "share capital lowering", totalling **28,101,476** lei, includes the following categories:

Category		Value (lei)
1-	purchase price	28,045,385
2-	transaction commissions for the purchase of own shares	56,091

Additional costs represented 0.20% of the value of the redemption program. The purchased shares represented 2.4019% of the share capital of EVERGENT Investments, at nominal value.

Analysis of indicator - ratio between the Buy-back program's *total purchase price* and *EVER market capitalization.*

(a) *Market capitalization*: between 26.01.2022 – 06.10.2022 an increase of share price by 1.63% is ascertained. Since the number of shares was lowered in the analysed period, the company's market capitalization lowered by 0.38%.

(b) *Ratio between total purchase price/ market capitalization (P/CB):* it is ascertained that, *due to the reduction of the total number of shares,* from the start of the buy-back program until the end of the buy-back program P/MC radio increased non-significantly.

Purchase price / Market cap $_{\text{at the start of the program}}$ = 2.35**%** (28,101,476 lei/1,197,079,922 lei)
Purchase price / Market cap $_{\text{at the end of the program}}$ = 2.36 **%** (28,101,476 lei/1,192,574,454 lei)

B.2 Presentation of the impact of Buy-back program no. 7 approved by the EGMS of 28.04.2022

The buy-back program approved by the Extraordinary General Meeting of Shareholders on 28.04.2022, was run through a public offering for the purpose of lowering the share capital, and through market operations for the purpose of running "stock option plan" type programs.

The public offering was run between 22nd December 2022 – 06th January 2023, a number of 19,625,000 treasury shares, worth 27,671,250 lei, being sold for a price of 1.41 lei/share.

The public offering was a **success from the perspective of the interest shown by investors.** The high interest of investors led to the submission within the offer of 215,935,590 shares, representing 22.45% of share capital, so that the allocation index set within the offer was 0.0908835825.

The effects of the Buy-back Program approved in EGMS on 28.04.2022 – Program 7:

We consider that the benefit generated for the shareholders of EVERGENT Investments through the gain from the capitalization exceeds the costs related to the buy-back programs. The treasury share buyback program brought benefits, both to the shareholders who sold within the Public Purchase Offering (PPO), as well as to those who decided to remain shareholders, because the buyback operation contributed to sustaining the liquidity of EVER shares and to recognition of its assets in the market, by lowering the discount.

a) Program 7 – buy-back of treasury shares through public purchase offering in order to lower the share capital run between 22nd December 2022 and 6th January 2023

The public offering of treasury shares ran between 22nd December 2022 - 6th January 2023, a number of 19,625,000 treasury shares being purchased through it.
The total lowering of own capital is **28,070,957** lei, of which:
(a) 27,671,250 lei – the value of bought-back shares (for the purchase price);
(b) 399,706 lei – trading costs and other costs related to the buy-back program.
The value of the buy-back program, in total **28,070,957** lei, includes the following categories:

	Category	Value (lei)
1-	Purchase price	27,671,250
2-	Trading commissions for treasury shares purchase	42,747
3-	FSA tax Public Purchase Offering documentation (1% of value offer)	276,713
4-	Other costs related to the treasury shares buy-back operation	80,247

Additional costs represented 1.42% of the purchase offer value. Bought shares represented 2.0405% of the share capital of EVERGENT Investments, at nominal value.

Analysis of indicator - radio between the Buy-back program's *total purchase price* and *market capitalization of EVERGENT Investments*.

(i) *market capitalization*: **between 22nd December 2022 – 06th January 2023 there is an increase of the company's market capitalization by 1.5%**. The EVER closing price was 1.345 lei on 22nd December 2022 at the start of the offer and 1.365 lei on 06th January 2022, after the closing of PPO;
(ii) *the total purchase price / market capitalization ratio (P/CB):* it is ascertained that during the public offering P/CB radio decreased:
Purchase price / Market cap at the start of the program= **2.17%** (28,070,956 lei/1,293,558,581 lei);
Purchase price / Market cap at the end of the program= **2.14%** (28,070,956 lei/ 1,312,793,652 lei).

b) Program 7 – Buy-back of treasury shares, through market operations, for the running of "stock option plan" type programs between 10 – 30th October 2022.

The buy-back for share distributions to directors, executive managers and employees of the company through "*stock option plan*" programs was run between 10-30.10.2022.

A number of **8,400,000** shares (0.873% of share capital) were purchased within the program, for an average price per share of **1.2525** lei, total value of **10,520,776** lei.

The value of the buy-back program with approved purpose "stock option plan", in total **10,541,818** lei, includes the following categories:

Category	Value (lei)
1 – purchase price	10,520,776
2 – trading commissions for treasury shares purchase	21,042

Additional costs represented 0.20% of the buy-back program value. The nominal value of purchased shares represented 0.873% of EVERGENT Investments' share capital, valid on the program completion date.

Analysis of indicator - ratio between *total purchase price* of the buy-back Program and *EVER market capitalization.*

(c) *Market capitalization*: between 10.10.2022 – 30.10.2022 it is ascertained that the company's market capitalization increased by 1.6%. EVER price was 1.245 lei on 10th October 2022 at the start of the program and increased to 1.265 lei on 31.10.2022, at the end of the program.

(d) *The total purchase price /market capitalization ratio (P/CB):* it is ascertained, that from the start of the buy-back program until the end of the third buy-back stage, P/CB ratio decreased.

Purchase price / Market cap $_{\text{at the start of the program}}$ = 0.88**%** (10,541,818 lei / 1,197,383,222 lei)

Purchase price / Market cap $_{\text{at the end of the program}}$ = 0.87**%** (10,541,818 lei / 1,216,618,293 lei)

Coverage in accounting

EVERGENT Investments registered treasury shares (the buy-back of own shares) on the transaction date as a deduction of equity (into an equity account, namely account 1091 "treasury shares held on the short-term"), in accordance with art. 75 FSA Rule no. 39/2015.

Therefore, accounting entries were the following:

- bought-back treasury shares are registered for the purchase price in account 1091 "treasury shares held on the short-term";
- trading costs and other costs related to the buy-back program are registered in account 1498 „Other losses related to equity instruments" in accordance with art. 75 line 2 FSA Rule no. 39/2015.

C) Presentation of the new buy-back program presented for the approval of EGMS on 27/28.04.2023

The Board of Directors presents for approval new treasury shares buy-back programs - ”Programs 8 and 9”, abiding by applicable legal provisions and with the following main characteristics:

a) Purpose of the programs: the Company will buy-back shares for the purpose of running *“stock option plan” type programs and in order to reduce the share capital through share annulment.*
b) the number of shares that can be bought-back: maximum 19,200,000 shares (1.996% of registered share capital), of which maximum 9,200,000 shares through market operations (0.956% of registered share capital) for the purpose of distributing it to the Company’s employees, executive managers and directors within *“stock option plan”* type programs (Program 8) and maximum 10,000,000 shares (1.039% of registered share capital) through public purchase offering, for the purpose of lowering the share capital through share annulment (Program 9).
c) minimum price per share: the minimum purchase price shall be the BVB market price from the time the purchase is made.
d) maximum price per share: 2 lei.
e) Programs’ duration: maximum 18 months from the date the resolution is registered in the Trade Registry.
f) Payment of bought-back shares will be made from the distributable profit or company’s available resources, entered on the latest annual approved financial statement, with the exception of legal reserves registered in 2022 financial statements, in accordance with the provisions of art. 103 index 1 of Companies’ Law no. 31/1990.
Empowering the Board of Directors and individually its members to adopt all the necessary decisions in order to carry out the resolution, including going through all the stages and formalities for implementing the programs, applying the allocation criteria, determining the beneficiaries and the number of rights/options to acquire shares, the period of exercising the rights, the preparation and publication of information documents in accordance with the law.

Synthetic presentation of the programs

The share buy-back programs suggested are made for two purposes that are clearly defined:

i) increase of investors’ yields through the reduction of the share capital following the annulment of shares bought-back from the market,
ii) feeding the treasury shares fund for the running of “*stock option plan*” type programs, in order to align the interests of management and shareholders.

The buy-back programs with the purpose of lowering the share capital, run in accordance with the provisions of Law 31/1990, art. 103^1 - 105^1, generate benefits for the shareholders of the company through the gain from capitalization and increase of share liquidity.
The programs have brought benefits both to the shareholders who sold within the Public Purchase Offering (PPO) and those who decided to continue and remain shareholders. The shareholders who subscribed to the offer were provided a high price and liquidity. The shareholders who decided not to subscribe to the PPO received benefits as well, since the buy-back operation lead to the increase of EVER share price, corresponding to the NAV increase.

In short, the benefit effects are:

- ✓ The lowering of discount between net asset and trading price with the purpose of getting closer to the discounts of similar closed-end funds on European level, increase of unit value, the quotation and liquidity of the share on the market, with the effect of increasing profit per share;
- ✓ Increase of shareholders yield based on the possible increase of market quote increase following the implementation of the program;
- ✓ Increase of the holding weight in share capital for existent shareholders.

The success of the previous Buy-back program that led to a very high oversubscription so that the allocation index within the Offer was 0.0908835825, led the Board of Directors to submit a new Share Buy-back program through PPO for the approval of the Extraordinary General Meeting of Shareholders.

Through this new program, EVERGENT Investments can absorb a limited number of shares from the market and it is expected that the Program contribute in 2023 as well to the increase of EVER share demand, with a positive effect on liquidity and reduction of the discount with which shares are traded.

Authorization of the Board of Directors and its individual members to adopt all decisions, including go through all allocation stages, determine the beneficiaries and number of rights/options to purchase shares, period for the exercise of the rights, preparation and publication of informative documents according to the law.

The objectives of the buy-back program for capital reduction – Program 9 through PPO

The treasury shares buy-back program for the purpose of lowering the share capital could have the following beneficial effects both for the shareholders who subscribe within the public offering and for those who decide to continue and remain shareholders.

- ✓ The lowering of the discount between the net asset and trading price with the target of nearing the discounts of similar closed-end funds on European level, the increase of unit asset, quotation and liquidity of the share in the market ,with the effect of increasing profit per share;
- ✓ The increase of the yields of shareholders based on the possible increase of stock quotation following the implementation of the program;
- ✓ Ensuring a high price and liquidity of the shares for shareholders who sell within the offer;
- ✓ For the shareholders who do not subscribe within the offer, the advantage is the increase of the weight in share capital, the increase of EVER share price corresponding to NAV increase.

Estimating the total costs of the new Buy-back programs – Programs 8 and 9 and forecast impact on EVERGENT Investments' equity.

Program 8 Buy-back for the distribution to executive managers, directors and employees of the company through "stock option plan" type programs, through market operations

The share buyback program through market operations is aimed at remunerating the administrators, directors and employees of the company, in accordance with the legal provisions regarding the granting of variable remuneration, in a proportion of at least 50% in shares, within the framework of programs of the "Stock Options Plan" type.

Legal references: art. 13 Law no. 74/2015 on the managers of alternative investment funds managers, ESMA Guide no. 232/2013 on solid remuneration policies in accordance with DAFIA, *Remuneration policy for the leaders,* approved by shareholders in the General Meeting on 28th

January 2021, Remuneration policies and practices for the personnel categories whose professional activities have a significant impact on the risk profile applicable on company level, Memorandum of Association of EVERGENT Investments authorized by FSA according to authorization no. 108 on 13th July 2022.
From an accounting perspective, EVERGENT registered treasury shares (buy-backs of own shares) on the transaction date as a deduction from equity (into an equity reserve fund), in accordance with art. 75 FSA Rule no. 39/2015.
Bought-back treasury shares are registered at purchase price, including brokerage commissions and other trading costs.

The Company will property inform investors regarding the total costs of the buy-back program and its impact on equity, following the running of the program.

The total cost of the buy-back program described below depends on three main factors presented in the table below along with the hypothesis used to estimate possible scenarios regarding the costs generated by the intended buy-back program.

Factors influencing total cost	**Hypothesis used to estimate possible cost intervals**
Share purchase price	The share purchase price is between 11 – 14,7 mil. lei. The buy-back program will be at a price that will not be under the BVB price or higher than 1.6 lei/share.
Trading costs (e.g. brokerage, regulation commissions) and other costs (e.g. distribution commissions)	Estimated costs within the Public Purchase offering, in all 5 simulated scenarios are maximal.
Number of shares that will be bought-back	The maximum no. of shares that is to be bought-back within the program is 9,200,000 shares

Considering the above, for the purpose of estimating the number of bought-back shares and impact on equity, there were 5 scenarios simulated for a purchase price between 1.2 lei-1.6 lei:

Current price	1.27	1.27	1.27	1.27	1.27
Share nominal value	0.1	0.1	0.1	0.1	0.1
Buy-back price	**1.2**	**1.25**	**1.3**	**1.5**	**1.6**
Maximum number of bought-back shares	9,200,000	9,200,000	9,200,000	9,200,000	9,200,000
Purchase price lei	11,040,000	11,500,000	11,960,000	13,800,000	14,720,000
Trading costs (lei)	27,600	28,750	29,900	34,500	36,800
Total impact on equity	**11,067,600**	**11,528,750**	**11,989,900**	**13,834,500**	**14,756,800**

Program 9 Buy-back for the purpose of lowering the share capital through PPO

According to the definition in EU Reg. no. 2016/2067, in accordance with CE Reg no. 1606/2002 of the European Parliament regarding IFS 9, the marginal costs that can be directly attributable to the

acquisition are a "cost that would not have been borne had the entity not purchased, issued or transferred the financial instrument".
From an accounting perspective, EVERGENT Investments registered treasury shares (buy-back of own shares) on the trading date as a deduction from equity (into a reserve from equity account) in accordance with art. 75 FSA rule no. 39/2015.
Bought-back own shares are registered at purchase price, including brokerage commissions and other trading costs.
On the date the shares are annulled a relocation is registered between equity accounts without any impact on the profit and loss account and without additionally lowering equity.
The negative difference resulted from the annulment of equity instruments will be covered according to legal provisions in force foreseen by art. 75 line (8) FSA Rule no. 39/2015, from retained earnings (Accounting account 117) or other equity elements, in accordance with the resolution of the General Meeting of Shareholders.

The Board of Directors monitors this aspect and will analyse whether a transfer between the equity items is necessary to cover the negative balance resulting from the cancellation of the bought-back treasury shares, based on the relevant audited financial statements.

The total cost of the buy-back program described below depends on three main factors presented in the table below along with the hypothesis used to estimate possible scenarios regarding the costs generated by the intended buy-back program.

Factors influencing total cost	Hypothesis used to estimate possible cost intervals
Share purchase price	The share purchase price is between 14,15 – 20 million lei. The buy-back program will be for a purchase price not lower than the BVB price or higher than 2 lei/share.
Trading costs (e.g. brokerage, regulation commissions) and other costs (e.g. distribution commissions)	Estimated costs within the Public Purchase Offering, in all 5 simulated scenarios, are similar to those of previously run PPOs.
Number of shares to be bought-back	The maximum no. of shares to be bought-back through the PPO within the program is 10,000,000 shares

Given all of the above, for the purpose of estimating the number of bough-back shares and their impact on equity, we have simulated 5 basic scenarios for a purchase price between 1,415 lei-2 lei:

Price	1.27	1.27	1.27	1.27	1.27
PO bonus	0.145	0.18	0.23	0.43	0.73
PO bonus %	11%	14%	18%	34%	57%
Share nominal value	0.1	0.1	0.1	0.1	0.1
PO price scenarios (price/share)	**1.415**	**1.45**	**1.5**	**1.7**	**2**
Maximum no. of bought-back shares	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Maximum purchase cost –lei	14,150,000	14,500,000	15,000,000	17,000,000	20,000,000
Trading costs, in lei, of which:	232,675	237,400	244,150	271,150	311,650

FSA tax for PPO (lei)	141,500	145,000	150,000	170,000	200,000
Commission (lei)	49,525	50,750	52,500	59,500	70,000
Other expenses - lei	41,650	41,650	41,650	41,650	41,650
Total impact on equity, of which	**14,382,675**	**14,737,400**	**15,244,150**	**17,271,150**	**20,311,650**
Impact on reserve (lowering) at the time shares are annulled	13,382,675	13,737,400	14,244,150	16,271,150	19,311,650
Share capital decrease following the annulment of the number of shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Payment of bought-back shares shall be made from the distributable profit or company's available resources, registered on the latest approved annual financial statement, with the exception of legal reserves registered in 2022 financial statements, in accordance with the provisions of art. 103 index 1 Companies' Law no. 31/1990.

D). Legal Provisions

According to the provisions of art. 103 index 1 **Companies' Law no. 31/1990**, republished, with its later amendments and additions, share buy-back may take place under the following conditions:

„a) the authorization to purchase own shares is granted by the extraordinary general meeting of shareholders who will also set the conditions of this purchase, especially the maximum number of shares that will be acquired, duration for which authorization is granted, which cannot be longer than 18 months from the registration date in the Trade Registry and in case of a purchase for consideration, their minimum and maximum value;

b) the nominal value of own shares bought by the company, including those already in its portfolio cannot exceed 10% of the subscribed capital;

c) the object of the transaction can only be fully paid-up shares;

d) the payment of shares thus acquired will be made exclusively from the distributed profit or company's available resources registered on the latest approved annual financial statement, with the exception of legal reserve".

According to art. 104 line (1) letter a) Companies' Law no. 31/1990, the restrictions foreseen under art. 103 index 1 do not apply for shares purchased for share capital reduction.

In accordance with Art. 105 of Law no. 31/1990, the shares acquired by the company do not give the right to dividends during the period of their ownership by the company. According to the same article, the right to vote conferred by the shares acquired by the company will be suspended during the period of their ownership by the company.

The main characteristics of the Public Offering for buy-back made in the market with the purpose of lowering the share capital: according to art. 58, line 1 FSA Regulation no. 5/2018:
"(1) The price in public purchase offers is at least equal to the highest price between: a) the highest price paid by the bidder or by the persons with whom he acts in concert during the 12-month period prior to the date of submission to the A.S.F. of the offer documentation; b) the weighted average trading price, related to the last 12 months prior to the date of submission to A.S.F. of the offer documentation".

As **Alternative Investment Fund**, the provisions of **Law no. 243/2019** on the regulation of alternative investments funds and for the amendments and completion of normative acts also apply.

ART. 30
(1) in case of FIAS whose shares are admitted to trading in a trading venue or are traded in a stock exchange of a third country, in additions to the provisions of art. 29 line. (1), the running of GMS takes place with the abidance by national legislation applicable to the issuers of securities.
(2) F.I.A.S. from article. (1) can buy-back their own shares through the resolutions of AIFM managing the FIAS or EMG resolution of the self-managed FIAS, with the approval of FSA and in accordance with applicable legal provisions.
(3) shares acquired under the conditions of line (2) can be bought back based on the resolution of AIFM or EGMS, depending on the case, for the purpose of lowering the share capital, stabilizing the quotation of own shares on the capital market or remuneration of the personnel defined in FSA regulations applying ESMA guidelines on solid remuneration policies in accordance with Directive no. 61/2011/UE (DAFIA).

Transactions within the Buy-back program shall be made abiding by legal provisions defined by:

- ✓ (EU) regulation no. 596/2014 of the European Parliament and Council on market abuse;
- ✓ Commission Delegated Regulation (EU) (UE) 2016/1052 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures;
- ✓ Law no. 24/2017 on the issuers of financial instruments and market operations and FSA Regulation no. 5/2018 on the issuers of financial instruments and market operations.

Draft Resolution:

Approves the own share buyback Programs no. 8 and 9, in compliance with the applicable legal provisions and meeting the following main characteristics:

a) Purpose of the programs: The company will buy back shares in order to carry out *“stock option plan”* (Program 8), as well as to reduce the share capital, by canceling the shares (Program 9).
b) Number of shares that can be bought-back: (i) maximum 9,200,000 shares through market operations (0.956% of the registered share capital) for distribution to employees, directors and managers of the Company, within the *“stock option plan”* programs (Program 8) and (ii) maximum 10,000,000 shares (1.039% of the registered share capital) through a public purchase offer, in order to reduce the share capital by canceling the shares (Program 9).
c) Minimum price per share: the minimum purchase price will be the BSE market price from the time of the purchase.
d) Maximum price per share: 2 lei.
e) Duration of each Program: maximum 18 months from the date of registration of the resolution in the Trade Register.
f) The payment of the bought-back shares shall be made from the distributable profit or from the company’s available reserves, rentered in the last approved annual financial statement, except for the legal reserves registered in the 2022 financial statements, in accordance with the provisions of article 103 index 1 of Companies’ Law no. 31/1990.

2. Approval of buy-back program – EGMS April 27/28, 2023

Empowers the Board of Directors and individually its members to adopt all the necessary decisions in order to carry out the resolution, including going through all the stages and formalities for implementing the programs, applying the allocation criteria, determining the beneficiaries and the number of rights/options to acquire shares, the period of exercising the rights, the preparation and publication of information documents in accordance with the law.

Claudiu DOROȘ
CEO

Michaela PUSCAS
Compliance manager

Georgiana DOLGOȘ,
Director