



**Remuneration policies and practices for the personnel categories whose professional activities have a significant impact on its risk profile**



Drive for  
performance

## **Remuneration policies and practices for personnel categories whose professional activities have a significant impact on their risk profile**

The document "*Remuneration policies and practices for personnel categories whose professional activities have a significant impact on their risk profile*" is developed based on the following legal provisions:

### **Law 74/2015 regarding administrators of alternative investment funds**

Art. 13. - **(1)** The AIFM must draw up and apply remuneration policies and practices for the categories of personnel whose professional activities have a significant impact on their risk profile or on the risk profiles of the AIFs they manage, including for the persons in management positions, the persons who assume the risks and those with control functions, as well as for any employee who receives a total remuneration that places him in the same remuneration category with the persons in management positions and with the persons who assume the risks, which are compatible with a solid and effective risk management and promote this type of management and which do not encourage the assumption of risks incompatible with the risk profiles, with the rules or with the constitutive act of the FIA that they manage.

**(2)** AIFMs establish remuneration policies and practices in accordance with the provisions of annex no. 1.

**ESMA Guide no. 232/2013 on sound remuneration policies in accordance with AIFMD.**

**Regulation (EU) 2019/2088 on sustainability information in the financial services sector** - Transparency of remuneration policies in connection with the integration of risks related to sustainability.

### **Contents**

<i>Chapter 1</i>	Remuneration policy
<i>Chapter 2</i>	Responsibilities for the preparation and management of the remuneration policy
<i>Chapter 3</i>	Principles of remuneration
<i>Chapter 4</i>	Identification of personnel categories whose professional activities have a significant impact on the risk profile. Principles of remuneration
<i>Chapter 5</i>	Remuneration of the administrators and directors of the company. Involvement shareholders
<i>Chapter 6</i>	Remuneration structure. Remuneration of various categories of staff
<i>Chapter 7</i>	Share-based remuneration
<i>Chapter 8</i>	Remuneration disclosure

## *Chapter 1*

### **Remuneration Policy**

The board of directors of Evergent Investments SA has established the remuneration policy for the management structure, subject to the approval of the General Meeting of shareholders, and of the employees, in compliance with the international principles in the specific activity sector of alternative investment funds - "ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE" (AIFMD), in accordance with the "ESMA Guide on sound remuneration policies in accordance with AIFMD" issued to ensure the common, uniform and coherent application of the provisions relating to remuneration from Article 13 and Article 22 paragraph (2) letters (e) and (f) of AIFMD and of Annex II to it and of the provisions of the "Constitutive Act of Evergent Investments SA."

The remuneration policy applies to personnel at all levels of the organizational structure within the company and represents the remuneration policy framework for the Evergent Investments SA Group. The variable remuneration for companies carrying out new investment projects can be granted until they become profitable, if the remuneration is sustainable depending on the financial situation of the entity and is justified by the performance of the project stage, evaluated in a multi-year framework specific to the investment. The evaluation result and the remuneration level are approved by the executive management of Evergent Investments SA, with the recommendation of the Nomination - Remuneration Committee.

## *Chapter 2*

### **Responsibilities for the preparation and management of the remuneration policy**

According to the statutory provisions, the board of directors has as its basic attribution "the analysis and establishment of the remuneration policy, so that it corresponds to the business strategy, objectives and long-term interests and includes measures to prevent the appearance of conflicts of interest".

Evergent Investments SA, as a company listed on the regulated market and which has the obligation to implement the principles of corporate governance, has established a nomination-remuneration committee, a consultative committee of the Board of Directors made up of non-executive members.

The nomination-remuneration committee is responsible for managing the remuneration and nomination policy:

- (a) analyzes and ensures that the principles and remuneration and benefits policies of the management body correspond to the business strategy, objectives, values, and long-term interests of Evergent Investments SA; In this sense, apply the following procedure:
  - approves, prior to approval by the Board of Directors, and monitors compliance with the remuneration policy of the company's administrators, directors and employees, drawn up and applied by the company's executive management;
  - if they notice irregularities in the elaboration or application of the remuneration

policy, the members of the committee immediately communicate in writing to the executive management the situations found and follow their correction, informing the members accordingly

Board of administration; the executive management has the obligation to provide a written answer to the Committee within 3 working days from the moment of receiving the notification, which in turn will inform the members of the Board of Administration. If the executive management refuses or unjustifiably postpones the application of the changes requested by the committee, the Board of Administration has the obligation to transmit to the A.S.F. of a finding report on the deviations identified within the remuneration policy of Evergent Investments SA. The report is submitted within 10 working days from the date of the written communication made by the nomination-remuneration committee.

- (b) is responsible for the preparation of decisions regarding remuneration.
- (c) directly supervises the remuneration of the staff holding management and control positions.
- (d) annually examines the general principles of the remuneration policy and informs the Board of Directors about its implementation; ensures an independent internal evaluation of compliance with the remuneration policy.

*The control functions* within the company have an active role in the development and verification of the implementation of the Remuneration Policy, through:

- (a) active role in the development, continuous monitoring and examination of remuneration policies for other fields of activity.
- (b) by collaborating closely with the Nomination-Remuneration Committee, the control functions contribute to the establishment of the general remuneration strategy applicable to the AIFM, aiming to promote effective risk management.
- (c) the risk management function must evaluate how the variable remuneration structure affects the company's risk profile;
- (d) the compliance function must analyze how the remuneration structure affects the AIFM 's compliance with legislation, regulations and internal policies.
- (e) the internal audit function must periodically carry out an independent audit of the development, implementation and effects of the remuneration policies of the AIFM.

### *Chapter 3*

#### **Principles of remuneration**

The main AIFMD principles transposed into the remuneration policy of Evergent Investments SA:

- a) the members of the Board of Directors must be adequately remunerated for their services, in a fair and responsible manner; the shareholders must approve the remuneration policy for the members of the Board of Directors;
- 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 SA and its subsidiaries;
- c) is related to the individual performance of the employees; aims to motivate and encourage staff, to improve work performance, individually and collectively, to

strengthen a culture based on an objective assessment of each person's contribution and to reward performance.

- d) address base compensation, employee contracts, compensatory 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) Alignment with shareholders' interests, at the same time with a prudential risk management;
- (b) attracting and retaining the best and most experienced professionals;
- (c) levels of remuneration related to responsibilities and professional history;
- (d) transparency for company and group employees as well as for investors.

#### *Chapter 4*

### **Identification of personnel categories whose professional activities have a significant impact on the risk profile. Principles of remuneration**

The categories of personnel whose professional activities have a significant impact on the risk profile are:

- (a) *persons in the management structure*: administrators, directors.
- (b) *persons occupying key functions and/or control functions*: compliance officers, employees of the risk management department, employees of the internal audit department, persons designated for the application of Law no. 129/2019 for the prevention and combating of money laundering and the financing of terrorism, as well as for the modification and completion of some normative acts and GEO no. 202/2008 on the implementation of international sanctions;
- (c) *the coordinators of the functional departments*.

#### *Chapter 5*

### **Remuneration of the administrators and directors of the company. Involvement shareholders**

The shareholders of Evergent Investments SA approved the remuneration benchmarks for the administrators and directors of the company through the provisions included in the "Constitutive Act of Evergent Investments SA"

The remuneration of the members of the management body corresponds to their prerogatives, tasks, competence and responsibilities.

*" Art. 7. The Board of Administration*

**(11)** *The general annual limits of the remunerations and awards of all administrators, including the additional remunerations of the administrators in charge of specific functions, as well as of the directors, are in the amount of 0.6% of the value of the average total assets of the previous year, calculated and reported according to the legal provisions. Included in the general limits, the monthly remuneration of all members of the board of directors is at the level of 0.015% of the average total asset value of the previous year, distributed equally. Administrators and directors participate in the benefits plan, paid including through the allocation of shares or options to purchase shares of the company,*

*in the amount of 5% of the realized net profit and of the net profit from transactions reflected in the retained earnings. 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. 9. Financial situations*

*(5) The administrators and directors of the company have the right to participate in the profit of the company, in cash and/or in shares. The company's employees can benefit from the right to participate in the profit. The benefits plan for administrators, directors and employees can also be granted in shares, or options to purchase shares of the company."*

The remuneration of administrators and directors consists of:

(a) fixed component, representing:

- monthly remuneration;
- additional monthly remuneration for the administrators in charge of specific functions: e.g.: member of the consultative committees of the Board of Directors, the position of president or vice-president of the Board of Directors;

(b) variable component, representing:

- participation in the benefits plan, according to the provisions of the Constitutive Act and of the administration and management contracts;
- awards.

The criteria for granting variable remuneration are established in accordance with the provisions of the Constitutive Act and the administrative and management accounts, in accordance with paragraph 6 of Chapter 6 and with letter b) of Chapter 7 of this document, respectively:

*The benefit plan is granted based on the result of the evaluation of the fulfillment of the following performance objectives:*

- achieving a positive net result, an indicator composed of the net profit achieved and the net gain from transactions reflected in the retained earnings, percentage of the result.
- the result of the annual evaluation of the adequacy of the management structure according to the criteria and the procedure established by the ASF 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, respective "adequate".

The evaluation of the fulfillment of the performance objectives, to grant the variable remuneration, is made by the Nomination -Remuneration Committee.

Participation in the benefit plan will not be granted in case of achieving a negative net result (in the diction composed of the net profit achieved and the net gain from transactions reflected in the retained earnings).

The *quarterly* awards are granted with the approval of the Board of Directors, which ascertains whether the award criterion is met, respectively the evolution of the Evergent share price Investments SA to be superior to the evolution of BET-FI index, in most of the trading days of the reporting period (quarter).

## Chapter 6

### Remuneration structure. Remuneration of various categories of staff

The remuneration structure does not encourage the assumption of risks incompatible with the risk profile, with the provisions of the Constitutive Act and with the rules of the company, risks that also integrate the risk of sustainability.

The remuneration structure shall comprise:

- (a) the fixed component, determined by the level of responsibility assumed and delegated by the decision of the governing body; the fixed remuneration is high enough for the professional services provided, depending on the level of studies, the level of competence and the necessary skills, professional experience;
- (b) variable remuneration, composed of the annual benefit plan and quarterly awards and special awards.
- (c) the benefits plan is granted depending on the achievement of collective and individual performance objectives, the entity's implementation of projects and prudential management of operational risks. At the same time, the provisions of the Constitutive Act and the applicable Collective Labor Agreement provide for the possibility and not the obligation for the company to grant the benefits plan.

The quarterly awards are granted in accordance with the criteria stipulated in the collective labor agreement, respectively:

- establishment of the award fund, within the limit of 5% of the monthly and accumulated salary fund, with the approval of the Board of Administration;
- 20% of the prize fund is intended for all employees of the company for general objectives; 30% can be granted to reward employees who have contributed significantly to the achievement of the department's objectives; 50% can be granted to reward employees who have achieved exceptional results and contributed significantly to the achievement of the company's objectives.

Special awards are given for special ideas and contributions for the benefit of the company, at the proposal of the President General Manager or the Vice President Deputy General Manager, with the approval of the nomination-remuneration Committee.

- (d) between the fixed and the variable components of the total remuneration there is an adequate balance, the fixed component having a sufficiently high percentage of the total remuneration to allow the application of a flexible policy regarding the variable components of the remuneration;
- (e) share-based payment agreements give staff the right and not the obligation to request vesting when the conditions are met;
- (f) in the situation where the granting of discretionary pension-type benefits is approved, as part of the variable remuneration, they will comply with the provisions of point XI. II. Discretionary pension-type benefits from the ESMA Guide;
- (g) if the provisions of the applicable Collective Labor Agreement provide for compensatory payments upon departure, they must be correlated with performance over time and designed in such a way as not to reward failure.

Within Evergent Investments SA, the positions are classified on 3 lines of activity:

- (a) *business* activity – the activity of managing the portfolio of assets;



- (b) *control activity* – activities specific to compliance functions, risk management, internal audit;
- (c) *support activity* – other management activities.

By decision of the Board of Directors, it is approved the classification of the positions by classes, based on the criteria for establishing the complexity of the positions.

The remuneration policy of Evergent Investments SA regarding the benefits plan, depending on the classification on a line of activity and on the complexity classes of the position held is:

- (a) the benefits plan for *Business functions and Support activities* is calculated as a percentage of the net result composed of the realized net profit and of the net gain from transactions reflected in the carried-over result, by reference to the financial performance of the company and under the conditions of achieving some performance indicators established for each compartment;
- (b) the benefits plan for *the Control functions* is in the form of a bonus (a number of additional salaries), by reporting to the fulfillment of the objectives of the position/activity, independent of the company's financial performance, under the conditions of achieving some performance indicators established for these functions;
- (c) as a long-term strategy within the remuneration policies in accordance with AFIA legislation, the granting of benefits is aligned with the interests of shareholders, by allocating at least 50% in the form of shares, through Stock Option Plan programs.

In case of termination of the employment contract for reasons that are not attributable to the employee, the variable remuneration can only be granted in cash, based on the result of the evaluation of the performance objectives, with the approval of the Board of Administration and with the prior approval of the Nomination-Remuneration Committee

The evaluation of the fulfillment of the performance objectives for the granting of shares, as part of the variable remuneration, is carried out before the date of the offer of the right to receive shares and covers the completed financial year.

The allocation of shares is made after a period of at least 12 months from the offer of the right to receive shares, according to the applicable fiscal legislation.

- (d) In exceptional circumstances, such as for example:
  - i. the person faces a commitment or a financial request whose execution is provided by law, at a close moment;
  - ii. has to fulfill an obligation requiring the payment of an amount to a third party and cannot reasonably fulfill the obligation or comply with the request by other means until that date;
 the variable remuneration can be granted in full in cash, upon the written motivated request of the employee, of the result of the evaluation carried out by the company, with the approval of the Board of Directors and with the prior approval of the nomination-remuneration Committee.

**At the individual level**, the professional performances are evaluated annually,

qualitatively and quantitatively, based on the criteria included in the Collective Labor Agreement and in the individual labor contracts, in accordance with the specific internal procedure.

The benefits plan is granted based on the result of the professional performance evaluation, using quantitative and qualitative evaluation criteria, established as follows:

- for administrators - according to the provisions of the Constitutive Act, of the management contracts approved by the General Shareholders' Meeting;
- for directors - according to the provisions of the Constitutive Act, the management contracts approved by the General Meeting of Shareholders and the decision of the Board of Directors
- for employees according to the provisions of the Collective Labor Agreement and the individual labor contract, the criteria being established as a rule annually.

The established measures that ensure the identification and management of risks that may arise when setting individual indicators and objectives, risks that also integrate sustainability risk, respectively the amount of remuneration established on the basis of performance in relation to the way the activity is carried out by the people occupying different positions, especially with regard to the activity of the business and control functions, consist of:

- (a) the performance criteria used to evaluate the achievement of individual objectives derive from the objectives of Evergent Investments SA; they are designed so as not to be an incentive for taking risks unrelated to the company's risk appetite;
- (b) the right to participate in the benefits plan is granted at the end of each year, following the assessment of the degree of achievement of the individual objectives set;
- (c) the evaluation of the performance of the business functions correlates the benefits plan with the achievement of the association's investment strategy. When evaluating the performance, only the actual results are considered;
- (d) the benefits plan for the personnel holding *control functions* is based on specific objectives of the function, independent of the company's financial performance, under the conditions of the performance indicators established for these functions. The remuneration of the control functions is not correlated with the approval of a transaction, taking a decision or formulating recommendations regarding the aspects of risk and financial control, in order not to determine the personnel in question to favor their own interest.

The benefits plan will not be granted in the event of a negative net result, an indicator composed of the net profit achieved and the net profit from transactions reflected in the carried forward result; moreover, it is calculated as a percentage of the net result, the amount in absolute value being directly proportional to the size of the result.

**Remuneration of control functions:** the level of remuneration of personnel with control functions must allow Evergent Investments SA to employ qualified and experienced personnel in these functions.

- (a) the benefit plan for staff holding *control functions* is based on the specific objectives of the function and is not established solely on the basis of performance criteria at the level of the AIFM.
- (b) the remuneration of persons in positions of risk management and compliance assurance is directly supervised by the nomination-remuneration Committee.

- (c) persons occupying key and/or control positions - are evaluated for fulfilling and maintaining, throughout the duration of the activity, the requirements regarding competence and professional experience, integrity and good reputation and governance according to the relevant legal provisions (FSA Regulation no. 1/2019).

### *Chapter 7*

#### **Share-based remuneration**

In accordance with the statutory provisions (art. 9 paragraph 51) and the decisions of the General Shareholders' Meetings, the administrators, directors and employees of the company have the right to participate in the financial result of the company/benefit plans in cash and by allocating shares. The granting of benefits in the form of shares is done through Stock Option Plan (SOP) programs, approved by shareholders, with the following characteristics:

- (a) the distribution of shares issued by Evergent Investments SA to the administrators, directors and employees of the company, having as the source the shares bought back by the company;
- (b) for administrators and directors, the allocation criteria are established in accordance with the provisions of the Constitutive Act and the administration and management contracts;
- (c) for employees, the Board of Directors establishes the criteria for the identification of SOP beneficiaries, the number of shares to be granted to each category of beneficiaries, in accordance with the provisions of the Constitutive Act, the Collective Labor Agreement and individual labor contracts and the AFIA legislation.

### *Chapter 8*

#### **Remuneration disclosure**

The annual activity reports of the Board of Directors include information on total remuneration for the financial year, benefits paid to administrators and employees and incentive programs to encourage employee retention in the company.

Share-based remuneration is carried out in compliance with the obligations of drawing up and publishing investor information documents, in accordance with the law, the regulations of the Authority and of the market operator (BVB).

**Claudiu DOROȘ**  
**President and CEO**

Michaela PUȘCAȘ  
Compliance Manager