



## **Policy on the prevention and management of conflict of interest and personal transactions**



Drive for  
performance

## **Policy on the prevention and management of conflict of interest and personal transactions**

***The policy regarding the prevention and management of conflicts of interest and personal transactions is drafted based on the following legal provisions:***

### **Law no. 74/2015 on the alternative investment funds managers**

**Art. 14.** - (1) AIFM must take all reasonable measures provided for in art. 30-37 of the European Union Regulation no. 231/2013 intended to identify, prevent, manage and monitor the conflicts of interest to prevent them from influencing the interests of AIFs and their shareholders.

(2) AIF maintain and apply efficient organizational and administrative provisions, in order to adopt all reasonable measures foreseen by art. 30-37 of European Union Regulation no. 231/2013 meant to identify, prevent, manage and monitor conflicts of interest in order not to allow these to influence the interests of AIF and its shareholders.

(3) AIFM separates, within its working environment, the tasks and responsibilities that may be considered incompatible, or that might eventually generate conflicts of interests. AIFM evaluated whether its functioning conditions may involve any other conflicts of interests and informs AIF shareholders for this purpose.

(4) In case the organizational provisions adopted by AIFM for the identification, prevention, management and monitoring of conflicts of interest are not sufficient to guarantee that the risk of affecting the shareholders' interests is avoided, according to the provisions of art. 30-37 European Union Regulation no. 231/2013, AIFM clearly informs the latter before acting on their behalf, about the general nature or source of these conflicts of interests and drafts proper policies and procedures.

### **DIRECTIVE 2011/61/UE of the European Parliament and Council regarding alternative investment funds managers (AIFMD)**

#### ***Article 14 Conflict of interest***

**European Union Regulation no. 231/2013: art. 30-37 [article 14 of Directive 2011/61/UE] and art. 63**

*Article 30* – Conflict of interest types

*Article 31* – Policy in the field of conflict of interest

*Article 32* – Conflicts of interest regarding the buy-back of investments (not applicable to closed AIF)

*Article 33* Procedures and measures for the prevention or management of conflicts of interest

*Article 34* Conflicts of interest management

*Article 35* Conflict of interest monitoring

*Article 36* Information regarding conflicts of interest

*Article 37* Strategies for vote right exercise

*Article 43* Protection measures against conflicts of interest

*Article 63* Personal transactions

**FSA Regulation no. 2/2016** on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervision Authority

**FSA Regulation no. 1/2019** regarding the assessment and approval of the members of the management structure and the individuals having key functions within the entities regulated by the Financial Supervision Authority

**FSA Regulation no. 10/2015 regarding the alternative investment fund managers**

Art. 17 (12) May constitute conflicts of interests mentioned in para. (10) the following situations, without being limited to them:

- a) transactions carried out by the AIFM on behalf of and/or in connection with the AIF managed with entities that are part of the same group as the AIFM, such as “group” was defined in art. 2 letter j) from Law no. 243/2019 regarding the regulation of alternative investment funds and for the modification and completion of some normative acts;
- b) transactions between AIFM and companies with which AIFM, its managers, directors or employees already have business relations or are in pecuniary legal relations; in this sense, the AIFM have the obligation to manage the potential conflict of interest in favor of the interests of the holders of AIF securities. The management and measures taken by the AIFM are detailed in the remuneration policies of the AIFM and the situation of direct and indirect holdings in shares, unlisted bonds or any other financial instruments issued by companies owned/controlled/with which the AIFM is in business or pecuniary legal relations is reported quarterly to the FSA.
- c) obtaining by AIFM of a commission from the financial intermediation services company / credit institution with which it has concluded a financial intermediation contract, depending on the total value of the trading orders sent by the AIFM on behalf of the AIF, and that benefit is not included in the AIF’s income.

**European Union Regulation no. 1255/2021 amending the EU Delegated Regulation no. 231/2013 regarding the sustainability risks and sustainability factors that managers of alternative investment funds must take into account.**

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## Area of application

The policy for the prevention and management of conflicts of interest and personal transactions, including the information on the set prudential measures are applied to all entities within EVERGENT Investments Group. The policy is made known to the management and relevant individuals within EVERGENT Investments as well as to the companies, shareholders and employees of EVERGENT Investments Group.

## References, abbreviations and definitions

1. **conflict of interest** – that situation or circumstance that might occur during the operational or decisional process, in which the direct or indirect personal interest of the staff and members of the management structure / individuals holding key positions within the entity is contrary to its interest, so that if affects, or could affect independence and impartiality in decision-making, the professional reasoning or timely and objective fulfillment of the tasks corresponding to their attributions, or that could affect, through their nature, the integrity or stability of the financial market.  
(FSA Regulation no. 2/2016 on the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervision Authority)
2. a **conflict of interest** refers to a situation in which a director in the upper management, manager, employee, shareholder or any interested party directly or indirectly has a competitive, commercial, professional or personal interest, that is or could be in conflict with its duties towards the company. The definition also extends on the cases in which the interests of such an individuals could reasonably be seen as being in conflict with his/her duties towards the company. Potential conflicts of interest may result from the use of the company goods, association with competitor companies, use of information received while carrying out the administrator tasks or from the conclusion of transactions with affiliated entities. ( New BSE Corporate Governance Code – September 2015)
3. **conflict of interest** – one or more of the situations foreseen under article 30 of [European Union Regulation no. 231/2013](#), that might occur between the individuals indicated under art. 14 line (1) Law no. 74/2015.  
(art.3 item 13 Law no. 74/14.04.2015 regarding the alternative investment funds managers)
4. **group** - a parent company and all its subsidiaries (art. 2, letter j) of Law no. 243/2019, namely art. 2 para. (1) point 12 of Law no. 24/2017);
5. **„relevant individual”**, in case of an AIFM, means any of the following:
  - a) a manager, a partner or its equivalent, or an AIFM manager;
  - b) an AIFM employee or any natural individual whose services are provided to and under the control of AIFM and who is involved in supplying to AIFM collective portfolio management services;
  - c) a natural individual or company directly involved in delivering services to AIFM based on an assignment agreement entered with third parties for the purpose of providing AIFM with collective portfolio management services.
6. **“individual with access to privileged information”** is an individual who, based on his/her responsibilities arising from any type of contract, gains the right to become aware of privileged information as defined by Article 114 of Law No. 24/2017 regarding issuers of financial instruments and market operations.

“Art. 114 (1) – Privileged information means information of a precise nature that has not been made public, which refers directly or indirectly to one or more issuers or to one or more financial instruments, and which, if made public, would significantly influence the price of those financial instruments or the price of related derivative financial instruments”

7. **„higher management/executive management”** means the individual or individuals who actually run the activity of an AIFM, in compliance with article 8 line (1) letter c) Directive 2011/61/EU, and, depending on the case, the executive member or executive members of the management body.
8. **„governing body”** means the body with the highest decisional power in an AIFM, who fulfills the supervision and management functions, or only the management function in case the two are separated;  
( definitions items 4, 5, 6 – art. 2. EU Regulation no. 231/2013)

## **Chapter 1**

### **Conflict of interest types**

A **conflict of interest** represents any situation when the interests of the company differ from the personal interests of its staff, directors, managers or their close relatives.

For the purpose of identifying conflict of interest types that occur during management, EVERGENT Investments especially takes into consideration whether the company, a relevant/initiated individual or an individual directly or indirectly connected to the company through a control relationship<sup>1</sup>:

- (a) is likely to obtain a financial gains or avoid a financial loss at the expense of the company or its shareholders;
- (b) has an interest connected to the result of the activity delivered to the company, or the result of a transaction made on behalf of the company, that is different from the interest of the company in that result;
- (c) is stimulated financially or in other way to favor:
  - the interest of an UCITs, of a client or group of clients or another AIF in the detriment of EVERGENT Investments’ interest;
  - interest of a shareholder in the detriment of the interest of another shareholder or group of shareholders;
- (d) carries out the same activities for the company and for another AIF or UCIT;
- (e) receives, or will receive from a person, other than AIF or its shareholders an incentive for the collective portfolio management activities delivered to AIF, consisting in cash, goods or services, other than the standard fee or remuneration for that particular service.
- (f) transactions with entities that are part of the same group as EVERGENT Investments;
- (g) carry out transactions with companies in which EVERGENT Investments, its managers, administrators or employees already have business relationships or are in pecuniary legal relationships;
- (h) obtaining by EVERGENT Investments a commission from the financial intermediation services company / the credit institution with which it has

concluded a financial intermediation contract, depending on the total value of the trading orders sent by the Company, and that the benefit is not included in the income of EVERGENT Investments Fund (AIF).

The enumeration is not exhaustive, the company is bound to identify the relationships, services, activities or transactions where conflicts of interest might occur and manage them properly, from case to case.

The basic rule is that all investments or financial instruments sales be made only in the interests of the shareholders and not for any other reasons, and that no employees engage in affiliated transactions that might infringe FSA regulations.

## **Types of conflicts of interest identified in EVERGENT Investments' activity**

### ***1. Adopting investment decisions in projects suggested by subsidiaries or the Private Equity Portfolio***

In order to avoid the possibility of a conflict of interests in the EVERGENT INVESTMENTS-subsidiaries relationship, regarding the adoption of investment decisions and in order to make sure that EVERGENT Investments' investment decisions will be in the interests of EVERGENT Investments' shareholders, at least the following rules will apply:

1.1. EVERGENT Investments will issue only *special mandates* for all items on EGMS and OGMS agenda, based on the Explanatory Notes issued by the Private Equity Department.

Special mandates are signed by:

- a) a member of executive management – if the request of the subsidiary falls into the sectorial strategy approved by BD, within the maximum limits assigned in the strategy, and of the assigned budgets, as well as the expected profitability interval
- b) if the request of the subsidiary does not meet the criteria mentioned under item a), or every time there is the premise that the expected performance indicators will not be met, we request BD approval or the revision of indicators /EVERGENT Investments' position in the GMS of the subsidiary

Special mandates are submitted to GMS secretariat and written sown in the minutes register of the subsidiary's GMS.

1.2. Quarterly reporting obligations and inclusion in the performance indicators for EVERGENT Investments' subsidiaries are in established, in a format agreed by the parties: the portfolio responsible has obligations regarding the current monitoring of the subsidiary (*subsidiary's GMS resolutions, Administration / Management contracts, performance indicators*).

1.3. On starting a process for the analysis/endorsement/approval of the investment projects suggested by EVERGENT Investments' subsidiaries, each individual involved from EVERGENT Investments and the subsidiary is bound to fill in a statement that he/she is not in a conflict of interest situation.  
This rule also applies for private-equity type projects suggested by the Private Equity Portfolio.



## **2. EVERGENT proposal to appoint directors at its branches**

EVERGENT Investments can propose the nomination as candidates from EVERGENT INVESTMENTS for the subsidiary managers position, including initiated individuals within the company, according to the law. According to statutory provisions “*In exercising the mandate, the Board of Directors’ members have the possibility of being elected in the management and leadership of the companies in the portfolio, with the application of the internal policy for conflict of interest avoidance*”.

## **3. EVERGENT Investments – subsidiary transactions**

In case the company entered legal documents with the subsidiaries, the interests of EVERGENT Investments in relation with the same type of offers on the market will be respected, while abiding by the legal provisions regarding transactions within the group.

EVERGENT INVESTMENTS is bound to prevent such situations, and should these occur, to make sure they are correctly managed in the interest of EVERGENT Investments’ shareholders.

In case there is no conflict of interest identified, measures will be ordered to target the non-involvement of the individuals in the grounding and adopting of the decision.

## **4. Other possible conflict of interest situations and rules applicable on the company’s level**

- (a) the employees who are employees/ collaborators/shareholders / managers of a service provider will not be members in the selection committee for a service provider;
- (b) the employees who have family relationships with the directors/ managers/ shareholder of a service provider, will not be member of the negotiation committee for contracts entered with that particular service provider;
- (c) the employees who have family relationships with the managers/directors/ significant shareholders of a company will not be appointed managers/censors/auditors in that particular company in EVERGENT Investments’ portfolio.
- (d) the entities will not be monitored by an employee in the portfolio management departments if she/he is also a significant shareholder/ censor/ manager/ auditor/ employee of that company
- (e) the internal evaluator will not draft evaluation reports compliant with the International Evaluation Standards for the companies where he/she is significant shareholder/ manager/censor/auditor/ employee of that company, or has had such a position in the last 12 months.

## **Chapter 2**

### **Policy in the field of conflicts of interest**

The policy in the field of conflicts of interest defined by EVERGENT Investments comprises:

- (1) The identification of the circumstances in EVERGENT Investments portfolio management activity and in the activity of EVERGENT Investments Group pose or could give rise to a conflict of interest with significant risk of prejudicing the interests of the company or its shareholders.
- (2) The procedures that are to be followed and measures to be adopted for the prevention, management and monitoring of such conflicts.

The internal policy of EVERGENT Investments to avoid conflicts of interests consists in:

- a) *statutory provisions*: “In exercising their mandate, the members of the board of Directors have the possibility of being elected in the administration and management of the companies in the portfolio, with the application of the internal policy to avoid conflicts of interest”
- b) specific *work procedure*, managed by the Compliance Department and approved by the Board of Directors;
- c) provisions of *EVERGENT Investments’ Corporate Governance Code*

The policy for the prevention and management of conflict of interest, including information on the set prudential measures will apply to all entities within EVERGENT Investments Group (FSA registered). The policy is submitted for information purposes to the management and relevant and initiated individuals in EVERGENT Investments as well as the companies, shareholders and employees of EVERGENT Investments Group.

### **Chapter 3**

#### **Procedures and measures to prevent or manage conflicts of interest**

While carrying out its activity EVERGENT Investments always abides by the following prudential rules to avoid conflicts of interest, and in case these cannot be avoided, to identify, manage, monitor and, depending on the case, make the conflicts of interest public for the purpose of preventing them from negatively influencing the interests of EVERGENT Investments and of its shareholders:

- (1) it has adopted a specific work procedure “The Prevention and Avoidance of Conflicts of Interests” that:
  - is approved by the Board of Directors,
  - is managed by the Compliance department,
  - is applied to the companies, employees, directors, managers and initiated individuals within EVERGENT Investments group
  - presents the identification of conflict of interest circumstances,
  - the mechanisms that should lead to the avoidance of such situations and the management and monitoring method for conflicts of interests.
- (2) it has adopted measures to make sure that relevant individuals involved in various activities in which conflicts of interests might occur carry out these activities with a high degree of independence adapted to the size and activity of the company.
  - the portfolio management and risk management tasks are separate from the functional and hierarchic point of view, in compliance with the provisions of art. 15 Directive 2011/61/UE
  - the risk management policy includes the specific protection measures against conflicts of interests in the risk management area.
  - the exercise of the compliance verification and audit functions is considered as conflicting with the portfolio management function and is provided as independent from the latter from an organizational and operational point of view.
  - the department in charge with the evaluation of assets in EVERGENT Investments’ portfolio is independent from a functional point of view from portfolio management

## ***Chapter 4***

### **Conflict of interest management**

**While carrying out its activity, EVERGENT Investments always abides by the following prudential rules:**

- (1) it takes all reasonable measures to avoid conflicts of interest, and in case these cannot be avoided, to identify, manage and monitor them, and depending on the case, make the conflicts of interest public for the purpose of preventing these from negatively influencing the interests of EVERGENT Investments and its shareholders;
- (2) takes all reasonable measures for the identification of conflicts of interests that occur during EVERGENT Investments' management;
- (3) maintains and applies efficient organizational and administrative provisions in order to adopt all reasonable measures destined to identify, prevent, manage and monitor conflicts of interest, to prevent these from influencing the interests of EVERGENT Investments and those of its shareholders.

When the adopted administrative or organizational provisions are not sufficient to insure, with reasonable certainty the prevention of risks that could prejudice the interests of the company or its shareholders, higher management is promptly informed by the department tasks with conflict of interests management – Compliance Department – in order to make any necessary decisions or take any necessary measure to make sure that EVERGENT Investments acts in the interest of the company or the shareholders.

## ***Chapter 5***

### **Conflicts of Interest Monitoring**

EVERGENT Investments keeps and periodically updates the records of the types of activities carried out by the company where a conflict of interest has occurred – or in case of running activities, a conflict of interest might occur, with a significant risk of prejudicing the interests of the company or its shareholders, by updating the specific work procedure and the policy regarding conflict of interest.

The executive management frequently receives, at least once a year, the written reports regarding the actives mentioned in the previous paragraph from the Compliance Department.

## Chapter 6

### Personal transactions with financial instruments and other assets

For all individuals involved in activities that might generate a conflict of interest, or who have access to **confidential/privileged information** EVERGENT Investments sets, implements and maintains proper measures, through which these initiated individuals be prevented to carry out the following actions:

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

The measures adopted by EVERGENT Investments consist in:

- a) internal organization methods, that insure *information confidentiality* (circulation of documents in physical and electronic format is regulated by the specific work procedure; access levels are set for access to the documents in the integrated IT system (SII) managed by the department that has this responsibility);
- b) forbiddance to use “privileged information” and abusive use of improper disclosure of confidential information regarding EVERGENT investment policy by initiated individuals, when these make transactions with financial instruments in EVERGENT Investments’ portfolio (personal transactions);
- c) forbiddance to disseminate information regarding the transactions that EVERGENT Investments intends to make with financial instruments in its portfolio or by initiated individuals;
- d) notification of initiated individuals regarding the sanctions applicable for personal transactions with the use of privileged/confidential information, legal sanctions (for example EU Regulation no. 596/2014 on market abuse) and administrative sanctions (e.g.: collective employment contracts, management contracts, administration contracts).
- e) the separation, from an organization point of view, of the function regarding the decision, execution and supervision of the activity, so as to avoid the case when the same individual fulfills certain attributions that might result in hard to detect errors or activities that expose the company to risk.

The leverages that allow the detection/identification of personal transactions or the possibility to make them and the methods and deadlines when EVERGENT Investments is informed: from public information or documents at EVERGENT Investments’ disposal. The compliance officer will inform executive management, within maximum 5 work days from the date he/she becomes aware of the situation.

## **Personal transactions with other assets than financial instruments**

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

- (a) acceptance of the characteristics of the approved project in connection to the investment initiatives of EVERGENT Investments (non-exhaustive example: drawing capital from shareholders along with EVERGENT INVESTMENTS, disinvestment, etc. );
- (b) size of the investment, following all personal transactions in that asset or project, not to have a significant impact on EVER share price (for example: not to represent more than 10% of total EVERGENT Investments assets value, according to art. 113 letter B, CNVM Regulation no..1/2006);
- (c) abidance by internal rules and procedures regarding the avoidance of conflict of interest and privileged information regimen;
- (d) abidance by the decisions of the Board of Directors of EVERGENT Investments regarding the conditions and individuals that may co-invest in assets or projects, so that the decisional capacity of the Board of EVERGENT Investments be insured for that particular asset or project (the managers in question abstain from debates and decisions within EVERGENT Investments BD concerning that particular investment).

For the purposes of Regulation 231/2013<sup>1</sup>, EVERGENT Investments thinks that the investment interests of individuals within the management structure of EVERGENT Investments in unlisted shares in the company's portfolio – subsidiaries of the Group, or in other assets that belong to a project initiated by EVERGENT Investments are optimally aligned with those of EVERGENT Investments (private-equity type approach through which control over unlisted companies is obtained is in agreement with the defined investment strategy, and abides by EVERGENT Investments' legal and prudential risk limits).

## **Personal transactions for the purchase of shares in listed subsidiary companies of the Group/other companies in which EVERGENT Investments finances investment projects, which are subject to a divestment strategy by EVERGENT Investments.**

Members of the management structure (directors, managers) may carry out personal transactions to purchase shares in listed subsidiary companies of the Group/other companies in which EVERGENT Investments finances investment projects subject to a divestment strategy, provided the following conditions are met:

1. The prior notification of the intention to purchase the shares, by submitting an "Intent Statement" before the Board of Directors (competent body) makes a decision regarding the price and sale conditions of this holding by EVERGENT Investments. The " Intent Statement" is treated as a statement of conflict of interest and is managed according to EVERGENT Investments' rules.
2. The person in question will not participate in the discussions within the governing bodies on this subject, and EVERGENT Investments will not provide the person with documents and information it holds as a parent company regarding the potential



- transaction or information about the specific subsidiary.
3. The Intent Statement is communicated to the other directors and internal auditors in accordance with the provisions of article 144<sup>3</sup> of Law no. 31/1990 on companies, as well as to the Audit Committee. The Audit Committee is responsible for evaluating the conflicts of interest related to the company's transactions, its subsidiaries, as well as those of the directors, managers and employees with affiliated parties.
  4. Starting from the date of submission of the "Intent Statement," the person in question is prohibited from conducting transactions in the market with that financial instrument.
  5. For the execution of the sale transaction on the DEAL market, which involves prior negotiation between the parties (in accordance with the provisions of Article 183 of the Bucharest Stock Exchange Code), a negotiation committee is established by the executive management, operating under conditions of confidentiality.
  6. The completion of the transaction, in the case of a significant transaction as defined in Article 108 (3) of Law 24/2017, will occur after the financial auditor of EVERGENT Investments, in accordance with Article 144 of FSA Regulation no. 5/2018, analyzes the transactions reported under Article 108 of Law no. 24/2017 and prepares a report stating whether the price, combined with the rights and obligations assumed by the parties, is fair in relation to other existing offers on the market. If the transactions are not carried out at the market price, the reasons that led to this deviation and the pricing policies will be specified.

*Article 108, paragraph (3) of Law 24/2017 on financial instruments issuers and market operations states that a "significant transaction" refers to any transfer of resources, services, or obligations, regardless of whether it involves the payment of a price, whose individual or cumulative value represents more than 5% of the net assets of the issuer, according to the latest published individual financial reports of the issuer.*

7. In the case of significant transactions, EVERGENT Investments will promptly report to the Bucharest Stock Exchange (BVB) the legal document concluded with the member(s) of the management structure.

## **Chapter 7**

### **Internal rules and procedures for the prevention of fraudulent practices that might affect the stability and integrity of the capital market**

#### **Avoidance of fraudulent practices in EVERGENT Investments' trading activity.**

EVERGENT Investments, through its internal procedures, insures the forbiddance to use privileged information held by the managers, directors or employees of the company to acquire or sell or with the intent to acquire or sell on own behalf or on behalf of a third party, either directly or indirectly, the financial instruments to which this information refers.

The work procedures make sure that:

1. In the trading activity, the specialized department complies with the applicable legal provisions regarding market manipulation, market abuse, and fraudulent practices. EVERGENT Investments' obligation is to draft the intimation towards competent authorities, regarding possible fraudulent practices and/or capital market manipulations identified while carrying out the trading activity.
2. It is forbidden for individuals with access to privileged information to make transactions with shares of the companies regarding which they hold this information and the companies which EVERGENT Investments trades and have certain holding limits regulated (EVERGENT Investments, market operators, depositary, etc.) in order to protect the institution against possible market manipulations/abuse and for the proper management of concerted action situations.

All employees and directors who have access to privileged information have the obligation to sign the "Statement - confidentiality commitment" form, attached to the conflict of interest procedure.

## **Chapter 8**

### **Reporting and control of conflicts of interests and personal transactions**

#### **Information regarding conflict of interests**

Reporting and control of conflicts of interest

- (1) the members of the Board must notify the Board of Directors regarding any conflicts of interest that have occurred or might occur and not participate to discussions (including by not showing up, with the exception of the case when absence would prevent the obtaining of quorum) and not vote to adopt a resolution regarding the matter that caused the respective conflict of interest,
- (2) all initiated individuals must report to the compliance officer:
  - (a) any possible conflict of interest situations that might occur regarding the analysis/endorsement/ approval process of investment projects suggested by subsidiaries, conclusion of contracts or in connection with corruption, fraud or market abuse;
  - (b) the intention to carry out personal transactions with:
    1. financial instruments - provided in "EVERGENT Investments Strategy and Investment policy", which may generate a potential conflict of interests, defined according to art. 2 paragraph (1) of Law no. 24/2017 regarding issuers of financial instruments and market operations, namely: securities, derivative financial instruments, shares in collective investment schemes.
    2. other assets than financial instruments from the portfolio of EVERGENT Investments (e.g., shares of closed companies within the EVERGENT Investments group).

The compliance officer issues approvals or prohibitions for personal transactions, taking into consideration the principles of avoiding potential conflicts of interest and protecting the interests of the entity and investors, as quickly as possible. The validity of the approval depends on the type of assets and is specified in the internal conflict of interest procedure.

In the case of a compliance officer's intention to engage in trading, he/she submits the notification to a second person within the company who holds the same position.

Individuals have an obligation to inform the compliance officer regarding their personal transactions within a maximum of 3 business days from their realization. The "*Intent Statements*", the compliance officer's approval, and the transaction notifications are recorded in the "*Register of conflicts of interest and personal transactions with financial instruments and other assets.*"

- (3) notification of real and significant suspicions of staff regarding the management method of the activity may also be made outside normal reporting channels (compliance position) to the internal audit position, the relevant information being submitted to executive management/higher management or the Board, depending on the case.
- (4) The audit committee must evaluate the conflicts of interest in connection with the transactions of the company and its subsidiaries with affiliated parties;
- (5) in case a conflict situation is identified, or a personal transaction that involves the abusive use or improper disclosure of confidential information, or if a conflict has been started or could start with a obligation of AIFM, the compliance officer will investigate the case and should he/she ascertain that the legal regimen applicable to the capital market, including internal procedures of the company have been

informed, he/she will notify the Board of Directors and directors of the company within maximum 5 working days; in case such notifications are received, FSA and involved capital market institutions shall be immediately informed about the ascertained situation and measures adopted.

- (6) EVERGENT Investments will draft the intimation to the competent authority regarding possible fraudulent practices and/or capital market manipulations identified during the trading activity, when such situations are identified.

The “*Policy regarding the prevention and management of conflicts of interest*” will be brought to the attention of EVERGENT Investments’ shareholders by display on the website [www.evergent.ro](http://www.evergent.ro):

- (a) the site structure allows the easy identification of the place where information can be found;
- (b) information is up-to-date;
- (c) information is available for at least 5 years.

### **Chapter 9**

#### **Strategies to exercise vote rights in the share portfolio**

EVERGENT Investments has drafted strategies and procedures to determine the moment and way in which the vote rights held in the share portfolio should be exercised for the exclusive benefit of the company and the shareholders.

“EVERGENT Investments’ Investment Strategy and Policy” as well as the work procedures drafted in its application foresee measures and procedures for: the monitoring of relevant shares on the level of the companies; making sure vote rights are exercised in compliance with the objectives and investment policy of EVERGENT Investments; prevention or management of any conflicts of interest that stem from vote rights exercise.

### **Chapter 10**

#### **Protection measures against conflicts of interest in connection to the risk management position**

In compliance with article 15 line (1) Directive 2011/61/UE, the protection measures against conflicts of interests in connection to the risk management position make sure of at least the following:

- (a) the decisions made by the risk management function are based on reliable data that are subjected to a proper degree of control from the risk management function;
- (b) the remuneration of individuals involved in exercising the risk management function reflects the achievement of objectives connected to this function, independent from the performances obtained by the business positions, thus insuring objectivity in the evaluation of investment related risk; this principle is foreseen in “EVERGENT Investments’ Remuneration Policy”.
- (c) the risk management position is represented in the governing body with the same authority as the portfolio management position, by a manager
- (d) any tasks that come into conflict are properly separated.

### **Chapter 11**

#### **Risk of a conflict of interest occurrence**



The risk of a conflict of interest occurrence represents the risk of losses caused by any situation when the interests of the company are different from the personal interests of the employees, managers or their close relatives.

The risk of a conflict of interest occurrence is managed by the compliance position, through the specific procedure for conflict of interest.

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