

Structure and method of operation of directors bodies, management bodies and committees – EVERGENT Investments SA

1.1. General Shareholder's Meeting

The supreme government body of EVERGENT Investments is the General Meeting of Shareholders (GMS). The ordinary and extraordinary general meetings are convened by the Board of Directors in compliance with legal and statutory provisions. The proceedings of the meetings are recorded by the secretariat chosen by the GMS; the minutes are drafted in the special register.

The General Meeting of Shareholders adopts resolutions based on proposals made by the Board of Directors and/or shareholders. GMS resolutions, signed by the meeting president, are reported to FSA, BSE and made public through publication in the Official Gazette part IV, posting on the official website of the company and at its headquarters. The GMS resolutions are enforceable (applied immediately) from the moment they are adopted, if their contents or legal provisions do not foresee another time for their becoming enforceable.

1.2. Board of Directors

The company is managed by a Board of Directors comprised of 5 members, individuals, elected by the general meeting for a period of 4 years, with the possibility of being re-elected. The members of the Board of Directors are FSA approved.

The directors and executive managers comprising the Management Committee enter into administration and/or management contracts with the company, prepared in compliance with the applicable legal framework. The content of these contracts concluded with the company will be declared and/or made public in accordance with applicable regulations if required.

In its activity, the Board of Directors adopts resolutions. The resolutions of the Board of Directors are valid if more than half its members were present and the resolutions are adopted with the majority of votes cast by present members. The president of the Board of Directors will have decisive vote in case there is a tie. The president of the Board of Directors who is also the company's CEO cannot have a decisive vote. Legally adopted resolutions are mandatory for the directors and other managers and enforceable at the time of written submission or from the time of the general notification, through the secretariat of the Board of Directors, if they do not stipulate a later term when they are to come into force in their wording.

The Board of Directors appoints a president and a vice-president from among its members. The President of the Board of Directors may also fulfill the function of CEO of the company, and the Vice President may also fulfill the function of Deputy CEO. The President shall chair the meetings. In the absence of the President, the proceedings shall be conducted by the Vice-President.

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

- a) coordinates the activity of the Board of Directors;
- b) convenes the Board of Directors;
- c) establishes the agenda of the Board of Directors;
- d) oversees the adequate information of the members of the Board regarding the items on the agenda;
- e) chairs the meetings of the Board of Directors;
- f) ensures the representation of the Board of Directors in relation to the Directors by signing the director's and manager's contracts;
- g) monitors the implementation of the decisions of the Board of Directors and reports quarterly to the Board on the status of their implementation;

- h) signs the minutes of the meeting of the Board of Directors together with another director, if he chaired the meeting;
- i) conducts the GMS works and submits to the debate and approval of the GMS the issues on the agenda;
- j) ensures the proper functioning of the company's bodies.

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

The Vice President of the Board of Directors fulfills the attributions of the President, in his absence.

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

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

The EVERGENT' Memorandum of Association regulate the situations regarding:

- a) the administration of the company in the transitional period between the date of expiration of the mandates of the old directors and the date of validation of the new directors by the competent authority;
- b) the procedure for completing the Board, when vacancies appear;
- c) the organization and development of the meetings of the Board of Directors.

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

- a) setting the main activity and development directions of the Company;
- b) setting the accounting policies and financial control system, and approves financial planning;
- c) appointing and revocation of directors, setting their rights and obligations
- d) supervision of directors' activity
- e) preparing the annual report, organization of the general meeting of shareholders, and implementing its resolutions;
- f) submitting the request to open the company's insolvency procedure;
- g) proper fulfillment of the attributions set for the Board of Directors by the general meeting of shareholders
- h) setup/cancellation of subsidiaries and other secondary offices, without legal personality, or change of their headquarters;
- i) setting and approving the vote procedure during the general meeting of shareholders;
- i¹) taking appropriate measures regarding the establishment and implementation of corporate governance principles, including but not limited to:
 1. establishing relevant criteria for monitoring the performance of executive management/senior management and the company as a whole, as well as conducting an annual evaluation of the criteria's implementation.
 2. analyzing the adequacy, efficiency, and updating of the risk management system to ensure the effective management of assets held and the management of the risks to which the company is exposed.
 3. ensuring compliance with requirements related to outsourcing/delegation of operational activities or functions, both before and during the outsourcing/delegation process.
 4. analyzing and establishing a remuneration policy so that it aligns with the business strategy, long-term objectives and interests and includes measures to prevent the emergence of conflicts of interest;
 5. ensuring the development and implementation of ethical and professional standards to promote professional and responsible behavior at the society level to prevent conflicts of interest;
 6. approval of the company's policy and risk profile, appetite and risk tolerance limits, as well as the procedures for identifying, assessing, monitoring, managing and reporting the significant risks to which the company is or may be exposed;

7. ensuring the development of business continuity and emergency response plans, as well as conducting semi-annual evaluations of these plans;
 8. semi-annual assessment and review of the effectiveness of the policy, measures and procedures established for risk management and taking appropriate actions to address any deficiencies.
- j) setting up other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by the law;
 - k) pledging, leasing, creating movable real guarantees and mortgaging the assets of the company, in accordance with the law:
 - the purchase, sale, exchange or guarantee setup of certain assets in the fixed assets category of the issuer, whose value exceeds either individually or cumulated, 20% of total fixed assets value over one financial year, less liabilities, are concluded by the Board of Directors or directors of the company, only after being previously approved by the extraordinary general meeting of shareholders. The cumulative operations related to fixed assets are treated separately for each category: acquisitions, disposals, exchanges, or collateralization;
 - the rental of tangible assets, for a period over one year, whose individual or cumulated value with the same contracted party or individuals involved, or acting in a concert manner exceeds 20% of total tangible assets value, less liabilities on the date the legal document is signed, as well as associations over a period longer than one year, exceeding the same value, are to be previously approved by the extraordinary general meeting of shareholders.
 - l) approval of the exceeding of the limit foreseen by Law no. 31/1990, with the approval of the competent authority, in compliance with the regulations issued by it, for the buy-back of own shares issued in compliance with art. 4 Law 133/1996, in the property of initial holders. The bought-back shares can be used, based on the resolution of the board of directors, with the approval of the competent authority for the purpose of diminishing the capital or regulating the course of own shares on the capital market.

Other attributions of the Board of Directors:

- a) drafting general investment policies;
- b) integrating sustainability risks within the activities of:
 - ✓ implementation of the general investment policy as defined in the Fund's Rules, in the Memorandum of Association and in the Prospectus;
 - ✓ approval of the investment strategy;
 - ✓ periodic approval and examination of the adequacy of the internal procedures for adopting investment decisions for EVERGENT Investments, to ensure that these decisions are in line with the approved investment strategies;
 - ✓ periodic assurance and verification that the general investment policy, investment strategies and risk limits of EVERGENT Investments are applied and respected in an appropriate and efficient manner;
 - ✓ periodic approval and examination of the risk management policy and its application measures, processes and techniques, including the fund's risk limit system;
 - ✓ establishing and applying policies and procedures for evaluating the Fund's assets, in accordance with art. 19 of Directive 2011/61/EU;
 - ✓ ensuring that the Fund has a permanent and effective compliance verification function;
 - ✓ establishment and application of a remuneration policy in accordance with the provisions of Annex II to Directive 2011/61/EU.
- c) bank loan contracting;
- d) conclusion of contracts with the depository, auditor and the entity that keeps the shareholders' records;
- e) assigning the company representation right to other managers, setting the limitations of the mandate as well;
- f) approval of the company's internal regulations and compliance procedure, internal audit, risk management and legal assistance for employees, directors and members of the board of directors;
- g) negotiating the collective employment contract;

- h) approval of the setup/cancellation of the management committee, with the quorum of votes for resolutions as foreseen in the Memorandum of Association;
- i) approval of the organization of the company, organization chart, positions and remuneration limits;
- j) appointing the individual(s) to replace the manager;
- k) approval of the participation level to the benefit plan for managers and directors, paid including through share assignment or options to buy company shares, abiding by statutory provisions;
- l) making sure that the company has an IT system that allows the safe keeping of market price records for each asset in the portfolio, of the net assets, the unitary value of net assets for the regulated reporting periods, record of the calculation method for all commissions, taxes and fees due, and keeping the history of these operations over a maximum period of 5 years;
- m) approval of the activity reports for the internal audit, compliance and risk management departments;
- n) approval of the investigation plan for the compliance department;
- o) ordering measures to remove any law infringement situation, infringement of regulations applicable to be capital market or internal procedures by EVERGENT Investments or its employees, following the analysis of the suggestions submitted in writing by the compliance officer;
- p) notification to FSA and capital market institutions involved about the circumstances ascertained by the compliance officer regarding the infringements of the legal regime applicable to capital market and about the measures adopted;
- q) approval of the multiannual and annual audit plan and necessary resources;
- r) approval of the internal audit reports and measure plans to implement recommendations;
- s) approval of the results of crisis simulations;
- t) approval of the annual internal self-assessment results of operational risks, including IT operational risks and the internal control system and the risk response plan that outlines measures for preventing and mitigating operational risks.
- u) approval of the quarterly risk reports of the risk management department;
- v) approval of the classification of information as *privileged and confidential information* categories and the measures taken to manage them;
- w) approval of the assets evaluation method in compliance with SEV Evaluation Standards and GEV Evaluation Guidelines that are mandatory according to legal provisions to carry out the evaluation activity in Romania, mainly:
 - market approach methods;
 - revenue approach methods;
 - cost approach methods.
- x) the approval and examination of each modification of the policies and procedures for assets evaluation;
- y) approval of the general AML/CFT strategy and oversight of its implementation, ensuring an adequate and efficient governance framework for AML/CFT. Responsibilities include, but are not limited to:
 - ✓ supervises and monitors the adequacy and effectiveness of the policies, internal rules, mechanisms and procedures for managing AML/CFT risks in relation to the AML/CFT risk to which the Company is exposed, and, if necessary, orders measures to review them;
 - ✓ appoints the directly responsible leader for AML/CFT and assesses his adequacy or analyzes the assessment of suitability, communicating decisions that may affect the AML/CFT risks to which the company is exposed;
 - ✓ designates the person responsible for performing the duties of the AML/CFT compliance officer;
 - ✓ approves the activity report of the AML/CFT compliance officer or, if necessary, orders its review;
 - ✓ receives periodic updates regarding activities that expose the company to a higher risk of AML/CFT and is informed about the results of the AML/CFT risk assessment for the entire operation. This includes having direct and continuous access to all data and information held within the company that are necessary to fulfill the obligations specified by the current AML/CFT legislation.
- z) approves the annual activity report of the Commission for the Proper Administration of International Sanctions on the capital market;

aa) addressing any other issues set by the General Meeting of Shareholders or by the regulations or legal provisions.

The main objective of the Board of Directors, on the average and long term is defined and determined by EVERGENT Investments particularities, and macroeconomic context it operates on, is insuring a balance between the continuation of the activity under optimum conditions and meeting shareholders' expectations.

The directors' obligations and responsibilities are regulated by provisions regarding the mandate and those especially foreseen by Law no. 24/2017 regarding issuers of financial instruments and market operations, applicable FSA regulations and the provisions of the Memorandum of Association.

The members of the board of directors hold the knowledge, skills and experience to understand the activities of the company, especially the main risks associated to these activities, as well as the assets EVERGENT Investments invests in.

Advisory Committees of the Board of Directors

The Board of Directors may create advisory committees consisting of board members, charged with conducting investigations and making recommendations to the board, in areas such as auditing, remunerating the directors, managers and employees or nominating candidates for various management positions¹, etc. The Board of Directors establishes the internal rules of the constituted committees.

In applying the "EVERGENT Investments Corporate Governance Code", the advisory committees are usually composed of non-executive and independent members who oversee the specific activity of the effective management and the executive. In the current activity, a clear division of the supervisory and control responsibilities is ensured in relation to the attributions of the executive management.

The activity of the committees is coordinated by a chairman, chosen from among its members. The Board of Directors will be informed immediately regarding the election of the chairman. The Board of Directors may establish additional responsibilities for the chairmen of the committees, establishing at the same time the corresponding indemnity.

The advisory committees of the board of directors must be composed of at least 2 members², according to the legal provisions and the Memorandum of Association.

EVERGENT Investments complies with the legal requirements and recommendations of the BSE, which concern:

- ✓ at least one member of each committee must be an independent non-executive director;
- ✓ the audit, investment and remuneration committee consists only of non-executive directors;
- ✓ at least one member of the audit committee must have experience in applying accounting principles or financial audit;
- ✓ *the nomination-remuneration committee* consists of non-executive members, and the majority of members must be independent - BSE recommendation for the Premium category
- ✓ *the audit committee* must consist of at least three members and the majority of the members of the audit committee must be independent" - BSE recommendation for the Premium category.

¹ Law 31/1990 art. 140[^]2 paragraph (1) The Board of Directors may set up advisory committees consisting of at least 2 members of the Board and charged with conducting investigations and making recommendations to the Board in areas such as auditing, remunerating directors, managers, auditors and staff or nominating candidates for various management positions. The committees shall report regularly to the Board on their work.

² Memorandum of Association, art. 7, para. 24 - The Board of Directors may set up advisory committees consisting of at least 2 members of the board, charged with conducting investigations and developing recommendations for the board, in compliance with the applicable legal framework, in areas such as auditing, the remuneration of directors, executive managers and staff, or the nomination of candidates for various management positions. The committees will regularly submit reports on their activities to the Board.

Audit Committee

The Audit Committee is a permanent Committee of the Board of Directors, independent from EVERGENT Investments executive management. The Audit Committee assists the Board of Directors in carrying out its responsibilities in the field of financial reporting, internal and external control and risk management. The Committee issues recommendations on various topics that are the subject of the decision-making process.

The members of the Audit Committee are appointed by the Board of Directors.

The Audit Committee is comprised by a number of 3 members elected from among non-executive managers. The majority of the members of the Committee will be independent non-executive directors (within the meaning of the provisions of Law no. 31/1990). The Chairman of the Committee shall be an independent non-executive director.

The audit committee must have the qualifications provided by law in the field in which the company operates. At least one member of the Audit Committee must have competences in the field of accounting and statutory audit, proven by qualification documents for the respective fields.

Attributions, responsibilities:

- a) informs the Board of Directors about the results of the statutory audit and explains how it contributed to the integrity of the financial reporting and what was the role of the Audit Committee in this process;
- b) monitors the financial reporting process and sends recommendations or proposals to ensure its integrity;
- c) approves the EVERGENT Investments Accounting Policy Manual;
- d) monitors the effectiveness of the company's internal quality control systems and risk management systems and of the internal audit regarding the financial reporting of EVERGENT Investments, without violating its independence;
- e) monitors the audit of the annual financial statements and of the consolidated annual financial statements, in particular its performance, taking into account the findings and conclusions of the competent authority, in accordance with the relevant regulations in force;
- f) analyzes the audit report and / or the opinion of the financial auditor regarding the essential aspects resulting from the financial audit, as well as regarding the financial reporting process and recommends the necessary measures;
- g) analyzes the findings and recommendations of the financial auditor regarding the significant deficiencies of the internal control, regarding the financial reporting process;
- h) is responsible for the selection procedure of the financial auditor or the audit firm and makes recommendations to the Board of Directors regarding its selection, appointment and replacement, subject to GMS approval, as well as its remuneration terms and conditions, in accordance with the regulations in force;
- i) evaluates and monitors the independence of the financial auditor or of the audit firm and, in particular, the opportunity to provide non-audit services, in accordance with the relevant regulations in force;
- j) evaluates the conflicts of interests in connection with the transactions of the company and of its subsidiaries with the affiliated parties;
- k) any transaction of the company with any of the companies with which it has close relations, whose value is equal to or greater than 5% of the company's net assets (according to the latest financial report) is approved by the Board following a mandatory opinion of the Audit Committee;
- l) approves the Internal Audit Charter and the internal audit and internal control procedures;
- m) analyzes and approves the multiannual plan and the annual internal audit plan, the significant interim changes and the necessary resources related to this activity;
- n) analyses and approves the annual investigation plan for internal audit and its modifications;

- o) makes sure that the internal audit and internal control analysis and reports drafted are compliant with the audit and control plans approved by the Board of Directors;
- p) monitors the application of legal standards and generally accepted internal audit standards. The audit committee receives and evaluates the reports of the internal audit team, analyzes and approves the findings and recommendations of the internal audit and the plan of measures for their implementation.
- q) receives the report of the compliance officer, analyses and approves the ascertainments and recommendations suggested and the measure plan for their implementation;
- r) analyses and approves the annual report regarding internal audit activity;
- s) analyses and approves the annual report regarding the compliance activity;
- t) analyses and approves the annual report regarding the risk management activity;
- u) analyses and approves the risk policy, risk procedures and risk management methodologies;
- v) analyses and approves risk reports from the risk management department

Appointing and Remuneration Committee

The Appointing-Remuneration Committee is a permanent committee with a consultative function, independent from the executive management of EVERGENT Investments, subordinated to the Board of Directors.

The committee assists the Board of Directors in fulfilling its responsibilities in the field of appointing and remunerating the members for management positions, as well as their remuneration.

The Committee consists of at least 2 non-executive members, of which at least one is an independent member, in the sense that it respects the principle of independence provided in art. 18 of the *FSA 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*.

Attributions, responsibilities:

- a) elaborates recommendations regarding the nomination policy of the directors and managers of the company in order to be submitted to the approval of the Board of Directors.
- b) approves, prior to the approval by the board of directors, and monitors the observance of the remuneration policy of the directors, managers and employees of the company, drawn up and applied by the executive management of the company. 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 accordingly the members of the board of directors. 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 directors. If the executive management unjustifiably refuses or postpones the application of the amendments requested by the committee, the board of directors has the obligation to submit to the FSA of a report regarding the deviations identified within the remuneration policy of EVERGENT Investments SA. The report shall be sent within 10 working days from the date of the written communication made by the nomination-remuneration committee.
- c) can elaborate recommendations regarding the remuneration policy for the EVERGENT Investments Group;
- d) presents to the Board of Directors the annual report on the remuneration and other benefits granted to the directors and managers within the financial year;
- e) takes note of the documentation that is made available to the financial auditor for the analysis of significant transactions reported according to art. 108 of Law no. 24/2017 regarding the issuers of financial instruments and market operations and, following the audit report, will recommend the measures that must be taken, if applicable;

- f) elaborates recommendations regarding the filling of vacancies within the Board of Directors, in compliance with the GMS decisions and the incident legislation;
- g) elaborates recommendations regarding the adoption of the decision of the Board of Directors and / or the executive management for the appointment, hiring, dismissal, respectively dismissal of department directors and staff with key and control functions, as well as for establishing the level of remuneration as well as their rights and duties;
- h) periodically evaluates the level of acquisition and application of the specialized knowledge and makes recommendations regarding the process of continuous updating of the professional competencies of the directors, managers;
- i) makes recommendations for the improvement of the knowledge regarding the company's activity in order to apply the best corporate governance practices;
- j) monitors the observance of the requirements and obligations of transparency, information and reporting regarding the information from this activity segment.

Investment Committee

The Investment Committee is a permanent committee, with an advisory function, independent of the executive management of EVERGENT Investments SA, subordinated to the Board of Directors.

The Investment Committee assists the Board of Directors in fulfilling its responsibilities in the development of investment strategies and policies, the implementation of investment policy, the analysis of the performance of the portfolio of financial instruments and the management of related risks.

The Committee is composed of at least 2 non-executive members, of which at least one is an independent member, in the sense that it respects the principle of independence provided in art. 18 of the *FSA 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*.

Attributions, responsibilities:

- a) issues recommendations to the Board of Directors regarding the investment strategy and policy;
- b) issues recommendations to the Board of Directors regarding the main directions of activity and development of the company;
- c) issues recommendations regarding the annual investment objectives substantiated within the annual activity programs;
- d) issues recommendations to the Board of Directors regarding the new investment / divestment programs / projects that are within the competence of the Board of Directors for approval;
- e) issues recommendations to the Board of Directors regarding:
 - maximizing the performance of the financial instruments portfolio;
 - the allocation of assets for increasing performance, correlated with the activity program approved by the GMS, with the Investment Strategy and Policy (AIFM) and the economic forecasts;
- f) analyzes any investment proposal addressed to it and proposes to the Board of Directors new investment opportunities and methods to improve the activity of efficient asset management;
- g) analyzes and issues recommendations regarding the capital operations, increases / decreases of the share capital, as well as the share buyback programs for the purpose of managing the share capital or for the purpose of carrying out the Stock Option Plan programs;
- h) suggests investments that will be analyzed by the Investment Committee and will target mainly:
 - investments in companies where EVERGENT Investments holds control, in accordance with statutory provisions and BD resolutions:
 - “art. 7 line (18) letter j) decides the set-up of other companies or legal entities, including participation to the share capital of other companies, under the conditions foreseen by legal provisions”
 - transactions with securities from the portfolio and not included in the annual activity program, which exceed the value of 20 million lei;

- investments in new projects, transactions with newly issued securities and / or not included in the portfolio, as well as the development of new strategic lines
- i) issues recommendations regarding the strategy of restructuring the asset portfolio;
- j) issues recommendations regarding the portfolio optimization strategies;
- k) conducts investigations in the fields within its sphere of competence
- l) analysis and approves the way sustainability risks are included in the decision-making process.

The secretariats of the Board of Directors, the Executive Committee, and the consultative committees - general rules

1. The Board of Directors, the Executive Committee and the consultative committees of the Board of Directors operate in accordance with their own rules of organization and functioning, approved by the Board of Directors.
2. The secretariats are not separate organizational departments; they operate within the governance structures.
3. Secretaries of the Board of Directors and committees, as well as their replacements, are appointed by a decision of the Board of Directors, upon the proposal of the CEO.
4. The secretariat has the following core responsibilities:
 - Technical organization of meetings.
 - Communication of opinions and/or decisions to departments.
 - Preparation of meeting minutes, drafting of reports for approval by competent bodies, including monitoring the implementation of the Board of Directors' resolutions, with the support of the involved departments.
 - Physical and electronic archiving of meeting documents; physical archiving is ensured at the registered office.

Consultant to the Board of Directors

By decision of the Board of Directors, people may be hired as advisers to the Board of Administration.

Main attributions:

1. analyzes and formulates substantiated observations and proposals based on the documents and notes drawn up by the other structures on topics subject to the attention or approval of the FSA and other competent authorities.
2. identifies, based on the analysis of the topics presented for the debate of management structures, the aspects that area not properly regulated and submits proposals for improving the regulatory framework;
3. analyzes and submits observations and suggestions regarding the way in which corporate governance principles are abided by EVERGENT Investments and the measures that should be applied for the application of BSE recommendations from the Corporate Governance Code, including on the content of Corporate Governance Regulation of EVERGENT Investments;
4. makes proposals regarding the revision of the internal regulations and the optimization of the organization of the activity of the Board of Directors/BD secretariat and of the advisory committees of the BD/secretariats of the advisory committees, including regarding the Regulations for the organization and operation of these structures;
5. monitors, at the express request of the management structures or their members, how management decisions are carried out;
6. can participate, following the designation by the management structures or their members, in external work meetings, after which he will make reports;
7. provide specialized assistance to the non-executive members of the Board.

Delegations of authority at the Board of Directors level

The Board of Directors approves the delegation of power and sets the limitation of powers for the CEO, Deputy CEO and Executive Committee.

Operations made based on the powers delegated to executive managers are reported to the Board of Directors through written or verbal reports.

The Board of Directors has delegated to the CEO and Deputy CEO the attributions presented within these regulations.

The Board of Directors approves the delegation of powers and/or right of representation to other directors, setting their limitations. Operations made based on powers delegate by the Board of Directors are object of reports that will be presented in the meetings of the Board of Directors.

1.3 EVERGENT Investments Executive Management

The executive management of the company is insured, in compliance with the Memorandum of Association, the resolutions of the Board of Directors and applicable regulations, by the CEO and Deputy CEO, who act as directors of the company as per Law 31/1990 regarding companies. The directors meet the legal requirements for their position; have a good reputation and sufficient experience in compliance with FSA regulations, including experience with the investment strategies of AIF managed by AIFM.

Executive management is appointed by the Board of Directors, according to statutory provisions, the identity of the individuals being immediately made known to FSA.

The executive management:

- is authorized to manage and coordinate the daily activity of the company, according to the activities coordinated by each director;
- is responsible for the application of the general investment policy, for insuring the abidance by internal regulations and work procedures;
- notifies the Board of Directors regarding the activity carried out between its regular meetings.

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

- (a) making sure that the Risk management policy, the procedures and methodologies for the identification, evaluation, monitoring, management and reporting of significant risks to which the company is or could be subjected to, approved by the Board of Directors are properly implemented;
- (b) adopting measures, proper and efficient processes and techniques for the monitoring and control of all relevant risks in compliance with the risk management policy;
- (c) insuring the resources necessary for the implementation of the risk management system;
- (d) setting the competencies and responsibilities for risk management on the level of each line of activity;
- (e) proper and efficient application and abidance by the risk limits taken on, including in case of emergency situations, as well as abidance by the risk profile approved by the Board of Directors;
- (f) making sure crisis simulations are carried out;
- (g) setting and maintaining a proper system for risk exposure reporting;
- (h) half-yearly evaluation of the plan to insure activity continuity and for the emergency situations in order to eliminate or minimize risks;
- (i) development of an integrated risk culture on the level of EVERGENT Moldova, based on a full understanding of the risk the company is confronted with, the way these are managed, taking into consideration the risk tolerance/appetite of the company.

In the field of compliance insurance, the directors are responsible for:

- (a) approving the compliance policy (can be an integrated document or a combination of distinct internal regulations);
- (b) the analysis of the compliance policy and its method of implementation in EVERGENT Investments, at least once a year;
- (c) providing the resources necessary to implement the compliance policy;
- (d) ordering measures for the control of compliance risk.

CEO

The CEO enforces the resolutions of the Board of Directors, and for this purpose he issues written resolutions and orders. The decisions and orders are immediately enforceable from the time they are submitted to the individuals who have the authority to fulfill them.

The CEO has the following attributions:

- a) direct and actual management of the company's activity, in compliance with the objectives set by GMS;
- b) implementation of the company's general investment policy;
- c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, GMS resolutions or the resolutions of the Board of Directors;
- d) patrimonial engagement of the company in its relationship with third parties, through his own signature;
- e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors;
- f) approval of the measures regarding the protection of the integrity of tangible and intangible assets in the company's patrimony;
- g) trading and/or negotiation responsibilities regarding the goods or rights of the company within the limits foreseen by the law, Memorandum of Association, GMS resolution or those of the Board of Directors;
- h) representation of the company in relationship with third parties and in court;
- i) collaboration with the auditors of the company, the company's depositary and with the entity that keeps the records of shareholders, as well as those with other control or supervision bodies of the company;
- j) approval of the content of the information reports for the market and shareholders regarding any action that is the object of a legal reporting obligation;
- k) internal (functional) organization of the company, taking into consideration the legal provisions, the provisions of the Memorandum of Association, internal regulations, the company's organizational chart as well as the resolutions of the Board of Directors;
- l) employment, promotion and lay-off of company's employees with the exception of department directors and the individuals holding key-positions that are appointed by the Board of Directors, as well as application of disciplinary actions for the company's employees, in compliance with legal norms and internal regulations;
- m) regular information of the company's employees as well as negotiating with these the individual employment contracts and work conditions;
- n) gratification of employees within the limits set by the collective employment contract and /or Board of Directors;
- o) verification and control responsibilities for the way the company's employees or other individuals in contractual relationship with the Company carry out their tasks;
- p) notification of the Board of Directors of the company regarding the activity carried out, in compliance with applicable law;
- q) other responsibilities set by the company's Board of Directors through resolution or expressly foreseen by legal provisions.

The CEO coordinates the entire activity of the Company in compliance with the attribution of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, Legal, Corporate Governance Service and Relationship with investors, IT system, Asset Valuation Department, Human Resources –Logistics Department, Occupational Health and Safety activities, Fire Prevention and Firefighting activities, as well as Physical Security activities.

The CEO serves as the direct leader responsible for AML/CFT, with specific responsibilities as outlined by relevant legal provisions, as established in the management contract.

The CEO leads and coordinates the Executive Committee.

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

Deputy CEO

The Deputy CEO has the following attributions:

- (a) implementation of the board of directors' resolutions;
- (b) direct and actual management of the company's activity in compliance with the general objectives set by GMS;
- (c) management of the company's patrimony within the limitations set by the law, the Memorandum of Association, resolutions of the general meeting of shareholders or of the Board of Directors;
- (d) patrimonial engagement of the company in its legal relationship with third parties, through own signature, in compliance with the provisions of internal regulations and within the set competence limits;
- (e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors and/or CEO;
- (f) approves the measures regarding the protection of the integrity of tangible and intangible assets in the property of the company;
- (g) trading and/or negotiating with third parties regarding the goods or rights of the company, within the limitations set by the law, Memorandum of Association, GMS Resolutions and those of the Board of Directors;
- (h) company representation before third parties and the court;
- (i) collaboration with the auditors of the company, the company's depository and with the entity that keeps the records of shareholders, as well as those with other control or supervision bodies of the company;
- (j) approves the content of information reports for the market and the shareholders regarding any action that is object of a reporting-related obligation;
- (k) internal (functional) organization of the company, taking into account legal provisions, the company's memorandum of association, internal regulations, company organizational chart, and the resolutions of the company's Board of Directors;
- (l) control and promotion of employees in compliance with legal norms and internal regulations;
- (m) gratifications for the employees within the limits set by the collective labor contract and/or Board of Directors;
- (n) verification and control responsibilities for the way in which the employees of the company or other individuals in contractual relationship with the company, fulfill their tasks;
- (o) informing the Board of Directors of the company regarding the activity carried out, in compliance with applicable law;
- (p) other attributions set by the Board of Directors of the company through resolution or expressly foreseen by legal provisions.

The Deputy CEO insures the daily coordination of departments: “ENERGY- INDUSTRIAL” Portfolio, “FINANCIAL- BANKING” Portfolio, “SELL” Portfolio, “PRIVATE – EQUITY” Portfolio, “Transactions” Department. The components of the financial instruments portfolios are set through Board resolution.

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

1.4. Executive Committee

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

The CEO and Deputy CEO can also be directors of the company.

The set-up and dissolution of the Management Committee is approved with the majority of present directors.

The CEO and Deputy CEO who comprise the Executive Committee actually lead the activity of the company within the limitation of their delegated powers.

Each director of the company coordinates the daily activity of some departments, according to the organizational chart and adopts individual resolutions on their specific areas of activity, and together they adopt decisions within the collective work body, the Management Committee, in the application of legal requirements, so that the directors insure the actual management of the company.

For this purpose, the Committee adopts decisions regarding:

- ✓ the implementation of the investment strategy set by the Board of Directors;
- ✓ the implementation of Board of Directors’ resolution that target assigned competencies;
- ✓ the issues that fall under the competence area of the Board of Directors, and are to be subjected to debate and approval, regarding assigned responsibilities;
- ✓ issues that, given their importance might impact all lines of activity (business, support, compliance)
- ✓ issues that require the full understanding and harmonization of business and compliance aspect, in order to adopt a resolution;
- ✓ approval of procedures specific for the departments of the company.

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

The competence limits of the Board of Directors, CEO, Deputy CEO are set taking into consideration the basic responsibilities of the Board of Directors that cannot be assigned (provisions of art. 7 line 19 letter a- l of the Memorandum of Association).

Organization and carrying out of the Executive Committee’s activity

In the interval between the meetings of the Board of Directors, the Management committee carries out its activity within the competence limitations set.

The Executive Committee presents adopted resolution and status of running operations in the Board of Directors.

The legally adopted decisions are mandatory for the directors and employees and enforceable at the time of their communication in writing if they do not stipulate in their wording another term, following the notification.

The resolutions of the Executive Committee are adopted unanimously.

In case decisions cannot be adopted in the Executive Committee in case the vote requirements are not met, the subject discussed shall be presented for the analysis of the Board of Directors, in order for a decision to be adopted.

The CEO leads and coordinates the Executive Committee, and in this quality:

- a) convenes every time necessary the Executive Committee in order to present for debate and approval issues that fall under its competence;
- b) monitors the implementation of the Executive Committee's decisions and reports quarterly to the Board on the progress of their execution;
- c) informs the Board of Directors about adopted resolution in each meeting of the Board of Directors.

1.5. Director

The director is an employee of the company and is subordinate to the Executive Committee.

The functional relationship of the executive manager are:

1. subordination to the CEO, Executive Committee, Deputy CEO;
2. collaboration with all company departments;
3. coordination of departments under his subordination according to the organisational chart.

The director has mainly the following attributions:

1. Ensures the daily coordination of the departments and the necessary framework for carrying out the activities of the coordinated departments according to the Organization Chart, by organizing, planning and monitoring their activities, in order to reach specific objectives at a high level of performance;
2. Organizes, directs, verifies and supervises internal and inter-departmental activities, applying the necessary measures to ensure the proper running of internal processes according to specific approved procedures, compliance with legislation and correct understanding and application of specific regulations;
3. Makes sure that decisions adopted by the Management Committee and CEO are implemented within the set deadline;
4. Makes proposals for improving the activity of the departments they coordinate, in order to optimize internal resources and streamline operations carried out according to applicable internal procedures;
5. Facilitates and ensures collaboration with other departments and structures within the company, ensuring the necessary information transfer for decision-making;
6. Analyses and assigns for solving the documents entered within the company, implements the resolutions on documents assigned by the CEO and/or submits resolutions on documents that regard the activity of coordinated departments, assigned works and sets deadlines;
7. Endorses and/or approves all documents prepared within the coordinated activity according to his competence and within the limits approved by the CEO/Board;
8. Coordinates, prepares and/or actually participates to the preparation of works assigned to the departments of the company and/or inter-department works, within the set deadline and reports to the executive management on the way these are fulfilled;
9. Coordinates, from the point of view of compliance with internal regulations, procedures and decision-making processes, the activities under the responsibility of the coordinated departments;
10. Reports to the Management Committee, CEO on the activity carried out; ensures the execution of the Board of Directors' decisions and provides quarterly reports to the Executive Committee and the Board of Directors on the status of their implementation, based on information provided by managers and department heads, or project leaders, as applicable, following internal procedures and management decisions
11. Fulfils any other work attribution assigned to him according to legal and internal regulations in force, job description or that is assigned to him by executive management.