



Procedures regarding organizational structure, administrative and accounting requirements, control and protection devices in the electronic data processing field, as well as appropriate internal control mechanisms

Drive for performance

Procedures regarding organizational structure, administrative and accounting requirements, control and protection devices in the electronic data processing field, as well as appropriate internal control mechanisms

The internal regulation is drafted based on the following legal provisions:

Law 74/2015 on Alternative Investment Funds Managers

ART. 17

(1) AIFM must use, at all times, adequate and appropriate human and technical resources necessary for the proper management of the AIF.

(2) Depending on the nature of the AIF managed by the AIFM, the AIFM will draft and apply solid administrative and accounting procedures, and control and protection devices regarding electronic data processing, as well as adequate internal control mechanisms including, especially, norms regarding the personal transactions of its employees, or the holding or managing of investments with the purpose of independent investing and guaranteeing, at least, that every transaction involving AIF can be reconstructed regarding its origin, parts, nature, moment, as well as the place where it was done and that the AIF assets managed by AIFM are invested in compliance with the rules of the AIF memorandum of association and the legal provision in force.

Art. 15 - (1) AIFMs separate from a functional and hierarchical point of view the risk management functions from the operational units, including from the portfolio management positions. The functional and hierarchical separation from the risk management functions is verified by the FSA in compliance with the principle of proportionality, on the understanding that AIFM may demonstrate, in any case, that the specific measures of protection against any conflicts of interest allow for the independent performance of risk management activities and that the risk managing process is satisfactory to the requests made by the law that is currently in motion and ensures continued effectiveness.

(2) AIFM shall implement adequate systems of risk management to identify, evaluate, manage, and monitor accordingly all the relevant risks of the investment strategy of every AIF, risks that every AIF can or may be exposed to, in compliance with the provisions from articles 30-37 of the European Union Regulation no. 231/2013. In this sense, AIFM must not rely exclusively or mechanically on loan ratings issued by loan rating agencies defined on article 3, paragraph (1), point (b) of the Regulation (CE) no. 1.060/2009 of the European Parliament and of the Council of September 16th 2009 regarding loan rating agencies, to assess the creditworthiness of AIF assets. AIFM assesses the risk management systems with adequate frequency, at least once a year, and adapts them whenever necessary, in compliance with the provisions of the European Union Regulation no. 231/2013.

Chapter 25 Efficient use of resources and procedures – order processing

(1) AIFM sets, implements, and puts into function procedures and provisions that allow for prompt, balanced, and rapid order processing on behalf of AIF.

Chapter 27 Enforcement of trading decisions on behalf of managed AIFs

Chapter 28 The transfer of trading orders towards other entities to be implemented on behalf of AIF

Chapter 59 Accounting procedures

Organizational requirements

AIFMD Chapter 18 **Organizational requirements**

European Union Regulation no. 231/2013

Preamble, item (70)

To comply with the requirements of Directive 2011/61/EU to specify internal procedures and organizational provisions that every AIFM should apply, AIFMs must be required to establish a **well-documented organizational structure** that **assigns responsibilities and defines the control mechanisms in a clear manner** and ensures **the good flow of information** between all involved parties. AIFMs must also establish systems that **safeguard information to ensure activity continuity**. When establishing these procedures and structures, AIFMs must keep in mind the proportionality principle, according to which the procedures, mechanisms, and organizational structure can be adapted to the nature, scale, and complexity of AIFM's activity, as well as the nature and range of shares conducted during its activity.

EU Regulation 231/2013 art. 57 (1) AIFM shall:

- (a) establish, implement, and maintain decisional procedures and an organizational structure that specifies the hierarchical structures and assigns positions and responsibilities in a clear and formal manner;
- (b) ensure that the relevant individuals are aware of the procedures that must be followed for the adequate execution of the responsibilities assigned to them;
- (c) establish, implement, and maintain adequate internal control mechanisms created to ensure that the decisions and existent procedures on all AIFM levels are respected;
- (d) establish, implement, and maintain an effective system of internal reporting and communication of information on all relevant AIFM levels and effective information exchanges with all third parties involved;
- (e) keep tidy and adequate accounts of executed operations and internal organization.

AIFM shall consider the nature, scale, and complexity of its activities, as well as the nature and range of the services and actions undertaken during these activities.

AIFM shall consider the risks regarding durability when complying with the requests mentioned in the first paragraph.

EU Regulation 231/2013 art. 60 - AIFM ensures that the following tasks are assigned to superior management:

- (a) they are responsible for implementing the general investment policy for each managed AIF, as it is defined in fund regulations, in the memorandums of association, in the issue prospect or in the offer documentation, as is the case;
- (b) supervise the approval of investment strategies for every managed AIF;
- (c) they are responsible for ensuring that evaluation procedures and policies are established and implemented in compliance with article 19 of Directive 2011/61/EU;

- (d) they are responsible for ensuring that AIFM has a permanent and effective compliance verification post, even if this position is carried out by a third party;
- (e) they verify and periodically ensure that the general investment policy, the investment strategies, and the risk limits of every managed AIF are implemented and respected accordingly and in an efficient manner, even if the risk management post is carried out by a third party;
- (f) approve and periodically examine the adequate characteristic of adopted internal procedures of investment decisions for each managed AIF to ensure that these decisions are in compliance with the approved investment strategies;
- (g) approve and periodically examine the risk management policy and the measures, processes, and techniques of implementing it, including the risk limits system for every managed AIF;
- (h) are responsible for the establishment and implementation of a remuneration policy that is in compliance with the dispositions in Annex 2 of Directive 2011/61/EU;
- (i) are responsible for integrating durability risks in the activities mentioned in items (a) through (h).

EU Regulation 231/2013 art. 61 The permanent post of compliance verification

(1) AIFM shall establish, implement, and maintain appropriate policies and procedures meant to detect any risk of AIFM failing to comply to its obligations under Directive 2011/61/EU, as well as the associated risks and will implement adequate measures and procedures to reduce those risks and to allow competent authorities to effectively exercise their power under the mentioned Directive.

AIFM shall consider the nature, scale, and complexity of its activities, as well as the nature and range of the services and actions undertaken during these activities.

(2) AIFM shall implement and maintain an effective and permanent post of compliance verification that is independent and has the following responsibilities:

(a) to periodically monitor and evaluate the adequate nature and measure efficiency of policies and procedures that were established in compliance with paragraph (1), as well as the actions undertaken to remedy the deficiencies regarding AIFMs ability to conform to its obligations;

(b) advising the relevant individuals that are responsible for carrying out services and activities, as well as assisting them so that AIFM may conform to its obligations under Directive 2011/61/EU.

(3) In order to allow the conformity verification post mentioned in paragraph (2) to perform its responsibilities accordingly and independently, AIFM will make sure that:

(a) the compliance verification post has the necessary authority, resources, and competence and has access to all relevant information;

(b) a compliance officer is appointed as responsible for verifying conformity and has the task to regularly draft, at least once per year, statements for superior management on compliance related matters, in which it should especially be specified if adequate measures were taken to remedy potential deficiencies;

(c) the individuals who exercise the compliance verification post are not involved in carrying out the services or activities that they monitor;

(d) the responsible party's objectivity and of other individuals that exercise the compliance post is not affected and it is improbable that it will be affected by the method of establishing the people's remuneration.

Even so, AIFM is under no obligation to comply to the requests mentioned in points (c) or (d) of the first paragraph if they can prove that, keeping the nature, scale, and complexity of the

activities in mind, as well as the nature and range of the services and activities being carried out, the mentioned requests are not proportional, and that the compliance verification post continues to be effective.

EU Regulation 231/2013 art. 62 The permanent internal audit post

(1) According to the nature, scale, and complexity of the activities being carried out, including the nature and range of the managing activities of the collective portfolio undertaken during these activities, AIFM implements and maintains an internal audit post that is separate and independent of other positions and activities of AIFM.

(2) The internal audit post mentioned in paragraph (1):

(a) establishes, implements, and maintains an audit plan to examine and evaluate the characteristic adequacy and system efficiency, of control mechanisms and AIFM procedures;

(b) issues recommendations based on the results of the undergone activity in compliance with the recommendations mentioned in item (a);

(c) verifies compliance with the recommendations mentioned in item (b);

(d) report on matters concerning internal audit.

FSA Regulation no. 10/2015 regarding the Alternative Investment Funds Managers

CONTENTS

Chapter 1 Adequate and corresponding human and technical resources that are necessary for the good management of EVERGENT Investments

Chapter 2 Organizational structure

- I. General presentation
- II. Attributes and responsibilities of each organizational structure
 1. Statutory and decisional bodies of EVERGENT Investments
 - 1.1. The Meeting of General Shareholders
 - 1.2. Board of Directors
 - President of the Board of Directors
 - Vice president of the Board of Directors
 - The Consulting Committees of the Board of Directors
 - Counselor of the Board of Directors
 - Competence Assignment for the Board of Directors
 - 1.3. Executive management of EVERGENT Investments
 - CEO
 - Chief CEO
 - 1.4. Management Committee
 - 1.5. Managing Director
 2. Functional division. Structure. Attributes. Responsibilities.
 3. Permanent risk management post
 4. Permanent compliance verification post
 5. Permanent internal audit post
 6. Bucharest representatives

Chapter 3 Accounting procedures. The accounting procedures and policies manual

Chapter 4 Internal control mechanisms regarding the personal transactions of employees, directors, and managers and regarding the investments of EVERGENT Investments

Chapter 5 Internal rules and procedures to ensure that the shareholders' complaints are treated accordingly and that there are no enforced restrictions for shareholders when exercising their rights

Chapter 6 Internal rules and procedures that allow for the submission of orders regarding prompt and equitable execution of financial instrument transactions from the EVERGENT Investments portfolio

Chapter 7 Internal ruled and procedures regarding the safekeeping of records and financial instrument transactions from the EVERGENT Investments portfolio for a minimum of 5 years

Chapter 8 Control devices and protection procedures within the field of electronic data processing ad ensuring the safety, integrity, and confidentiality of information

Chapter 9 Activity continuity plan

CHAPTER 1
ADEQUATE AND CORRESPONDING HUMAN AND TECHNICAL
RESOURCES THAT ARE NECESSARY FOR THE GOOD MANAGEMENT OF
EVERGENT INVESTMENTS

- 1.** EVERGENT Investments establishes, implements, and maintains decisional procedures and an organizational and hierarchical structure that ensures the assigning of functions and responsibilities in a clear and formal manner, the relevant individuals following procedures in order to carry out their designated responsibilities.
- 2.** Members of the Board of Directors and managing directors have, both individually and collectively, the knowledge, ability, and adequate experience to understand the activities being carried out at EVERGENT Investments, especially the main risks associated with these activities, as well as the assets that the company is investing in.
- 3.** EVERGENT Investments has hired sufficient personnel with the ability and knowledge necessary to carry out the responsibilities assigned to them and including the necessary resources and expertise for the effective integration of durability related risks.
- 4.** The individuals that are occupying executive positions directly tied to portfolio or risk management activity will cumulatively meet the following conditions:
 - a) Have graduated specialized courses organized by specialty institutions such as national or international professional training bodies that certify the knowledge acquirement in the field of investment or risk management that will allow them to carry out the responsibilities tied to their occupied position.
 - b) no individual is permanently employed in two or more positions that would lead to EVERGENT failing to abide by the requirements regarding the regimes of privileged information, conflicts of interest, risk management, execution of EVERGENT's trading orders.
- 5.** The company, through its annual professional training program, ensures the required updates and knowledge acquirement of employees with professional qualifications in different areas: financial auditor, investment consultant, assessor etc. At the same time, EVERGENT employees take part in periodical instruction programs and proper assessment in various fields, like: corporate governance, prevention and control over money laundering and financial funding of terrorist organizations, sanctions – international capital market, ESG.
- 6.** The individuals that are part of the management structure and those occupying positions with key functions are evaluated according to legal regulations.
- 7.** The individual occupying the position of asset assessor meets the professional training requirements and has sufficient experience in the assessment field.
- 8.** EVERGENT Investments has sufficient logistic resources to run its activity properly. Technical equipment and IT apps represent the base support in daily activity.

CHAPTER 2
ORGANIZATIONAL STRUCTURE.
FUNCTION AND RESPONSIBILITY ASSIGNMENT.

General presentation

Name of the company: EVERGENT Investments S.A.

Legal status:

The company is established as a private Romanian legal entity, organized as a share/joint stock company, in the form of an investment company classified in compliance with applicable regulations as an alternative investments fund meant for retail investors, self-managed, authorized by the FSA as acting alternative investments manager.

Company functionality:

The company functions in compliance with (a) special legislation regarding alternative investments funds such as investment companies and those regarding alternative investment funds managers; (b) legislation regarding companies with trading admissions on a regulated market; (c) legal provisions regarding companies that are acting as legal entities; (d) provisions of the Memorandum of Association and internal regulations

EVERGENT Investments S.A. is classified in compliance with applicable regulations as:

- Alternative Investment Fund (AIF) meant for retail investors, self-managed, authorized by the FSA as acting alternative investments fund manager (AIFM);
- Enclosed AIF, defined in article 1 paragraph (3) of (EU) Regulation no. 694/2014, listed. EVERGENT Investments S.A. shares do not have a buyback option and the shareholders do not exercise the right to solicit that their shares be bought by the company;
- AIFMs of significant scales, defined through article 7 paragraph (3) of FSA Regulation no. 10/2015 regarding alternative investments fund management as “the AIFMs authorized by the FSA that manage AIF portfolios with an asset value of at least 200 mil. euros, lei equivalent, or that had an average number of at least 30 permanent employees throughout the previous year.”

The headquarters and central offices of the company, which is also the head office where its activity is carried out, is located in Romania, Bacău city, Pictor Aman street no. 94C, Bacău county.

Secondary office – Bucharest representatives located in Bucharest city, Poligrafiei boulevard no. 1A, district 1.

II. Attributes and responsibilities of each organizational structure

1. The company has a well-documented organizational structure that assigns responsibilities clearly.
2. EVERGENT Investments establishes, implements, and maintains decisional procedures and an organizational and hierarchical structure that ensures the assigning of posts and responsibilities is done in a clear and formal manner.
3. Within the organizational structure there may be layouts that are flexible, modular, and matrixial to aid in the progression and finalization of impactful projects or relevant activities of EVERGENT Investments.
4. The structures laid down at paragraph (1) function permanently or for a determined period of time, depending on the nature of the project or activity being led by a coordinator with significant expertise in their field of activity, assigned by the hierarchical management.
5. The structural components laid out in paragraph (1) as well as the specified attributes are determined by the project's theme and by the nature of the activity, as well as the quality and functionality demands that they involve.
6. The organization and functionality of the structures laid out in paragraph (1) shall be established according to the internal procedures of EVERGENT Investments. The organizational chart of EVERGENT Investments S.A. is presented in Annex 1.

1. The statutory decisional bodies of EVERGENT Investments

1.1. The General Meeting of Shareholders

The general meeting of shareholders (GMS) is the leading deliberational and decisional body of the company and functions according to the legal provisions in force and to the Memorandum of Association. The ordinary and extraordinary general meetings are convened by the Board of Directors according to legal and statutory provisions. The meeting notes are taken by the GMS appointed secretariat; the report is drafted in the special registry.

The GMS shall make decisions based on projects proposed by the board of Directors and/or the shareholders. The GMS measures signed by the meeting chair are reported to the FSA, the Bucharest Stock Market and are made public by means of being published in part IV of the Official Gazette, listing on the official website and at central headquarters. The GMS measures are enforced from the moment they are taken if, in their table of contents or legal provisions, there is not another foreseen deadline at which they would become enforceable.

1.2. The Board of Directors

The company is managed by a Board of Directors consisting of 5 members, physical entities, elected by the General Meeting for a period of 4 years, with the possibility of reelection. The members of the Board of Directors shall be approved by the FSA. The managers and executives that make up the Management Committee enter into administrative and/or management contracts with the company, drafted by respecting

the applicable legal framework. The contents of the contracts closed with the company shall be declared and/or made public under the conditions in which the applicable regulations demand it. During its activity, the Board of Directors adopts measures. The decisions made by the Board of Directors are valid if more than half of the members are present, and the measures are taken after a majority vote of the members present. The president of the Board of Directors will have the deciding vote if there is a party of votes. If the president of the Board of Directors is also the company CEO, they cannot have a deciding vote. The legally adopted measures are mandatory for the executives and other managers and are enforceable from the moment of their written communication or general information, through the Board of Directors secretariat, if there is no other foreseen deadline after its information at which the enforcement sets in.

The Board of Directors chooses a president or vice president from within its members. The president of the Board of Directors may also perform the position of company CEO and the vice president may also fulfill the chief CEO position. The president shall preside over meetings. In the absence of the president, the proceedings shall be led by the vice president.

The president of the Board of Directors has the following base responsibilities:

- (a) coordinates the Board of Directors' activities;
- (b) convenes the Board of Directors;
- (c) establishes the agenda of the Board of Directors;
- (d) supervises that the Board members are adequately informed with respect to the items on the agenda;
- (e) presides over the Board of Directors meetings;
- (f) ensures the representation of the Board of Directors with respect to the executives through signing the administrative and management contracts;
- (g) aims to achieve the Board of Directors' decisions and reports to the Board each quarter regarding the stages of their implementation;
- (h) signs the Board of Directors' memo next to another manager, if they presided over the meeting;
- (i) leads the GMS procedures and submits toward debate the GMS matters written down on the agenda;
- (j) oversees the well-functioning of the company bodies.

The president may have other tasks established by the company's Board of Directors through ruling or that are specifically laid down in the legal provisions.

The vice president of the Board of Directors meets the president's attributes in their absence. The vice president may have other duties established by the company's Board of Directors through ruling or that are expressly laid down in the legal provisions.

The members of the Board of Directors may be represented during Board meetings only by other members. One present member may only represent one absent member.

The provisions of the EVERGENT Memorandum of Association regulates the situations regarding:

- a) managing the company during the transitional period between the expiry date of the previous managers' mandates and the validation date of the new managers by the competent authority;
- b) the procedure of filling in the vacated positions within the Board;
- c) organizing and carrying out the Board of Directors' meetings.

The Board of Directors have the following basic skills which cannot be delegated:

- (a) establishing the main directions of activity and company development;
 - (b) establishing the accounting policies and the financial control system, as well as approving financial planning;
 - (c) the nomination and removal of the executives and establishing their rights and obligations;
 - (d) supervising the executives' fields of activity;
 - (e) drafting the yearly report, organizing the GMS, and implementing its measures;
 - (f) placing the application demand for the opening procedure of the company's insolvency;
 - (g) exact achievement of each established task within the duty of the Board of Directors by the GMS;
 - (h) setting up/dismantling of branches and other secondary offices, with no legal entity or changing their headquarters;
 - (i) establishing and approving the voting procedures within the GMS;
- i¹**) adopting the appropriate measures with respect to the establishment and implementation of the principals of corporate governance regarding, but not limited to:
1. establishing the relevant criteria of monitoring the activity results of executive management and the overall company, as well as annual assessment of the criteria mode of enforcement;
 2. analyzing the adequacy, efficiency, and actualization of the risk management system with regard to the efficient handling of owned assets, as well as the method of administration of related/corresponding risks to which the company is exposed;
 3. ensuring compliance with demands regarding the outsourcing/delegation of operational or functional activities, before carrying it out as well as during the entire process of outsourcing/delegation;
 4. analyzing and establishing the remuneration policy so that it corresponds with the business strategy, long term interests and objectives, and includes measures for the prevention of any conflicts of interest;
 5. ensuring the development and implementation of ethical and professional standards to ensure a professional and responsible behavior within the company, regarding the prevention of any conflicts of interest;
 6. approving the policy and risk profile, society's appetite and risk tolerance limits, as well as the procedures to identify, assess, monitor, manage, and report the significant risks to which the company is or may be exposed to;
 7. ensuring the drafting of plans to maintain activity continuity and for emergency situations and their quarterly assessment;

8. quarterly assessment and examination of policy effectiveness of its measures and procedures imposed in order to manage risks and arrange adequate measures to remedy eventual deficiencies;
- (j) setting up other companies or legal entities, including participation in the share capital of other companies, under the conditions provided for by the legal regulations;
- (k) pledging, renting, establishing real movable warranties, and mortgaging company goods under law conditions:
 - The acts of acquirement, alienation, exchange, or establishment under warranty of some assets within the fixed assets of the issuer, with an exceeding value, individual or cumulated, during a financial year, of 20% of total fixed assets, less so receivables, are concluded by the Board of Directors or company executives, only after prior approval by the Extraordinary Meeting of Shareholders. The cumulated fixed assets operations are treated distinctively on each category: acquirements, alienations, exchange, or establishment under warranty.
 - The leasing of tangible assets, for a period of time that is greater than a year, with an individual or cumulated value, to the same cosigner or involved individual or that act concerted, exceeding 20% of total fixed asset value, less so receivables at the date of the legal act conclusion, as well as associations for a duration greater than a year, exceeding the same value, shall be approved beforehand by the Extraordinary Meeting of Shareholders.
- (l) approval of the limit exceedance established by the provisions of Law no. 31/1990, with the approval of competent authorities and in compliance with the regulations issued by them for the buyback of its own shares issued in compliance with article 4 pf Law no. 133/1996 under the property of the initial owners. Acquired shares may be used, based on the Board of Directors' decision, with the approval of the competent authority, to decrease share capital or to regulate the flow of own shares on the capital market.

Other attributes assigned to the Board of Directors:

- (a) drafting the general investment policy;
- (b) integrating the risks tied to durability withing the following activities:
 - ✓ implementing the general investment policy as it is defined in Fund Regulations, in the Memorandum of Association, and in the issue leaflet;
 - ✓ approving the investment strategy;
 - ✓ the periodical approval and examination of the adequate characteristic of internal procedures regarding investment decisions for EVERGENT Investments in order to ensure that these decisions are in compliance with the approved investment strategies;
 - ✓ ensuring and verifying, periodically, that the general investment policy, the investment strategies, and the risk boundaries of EVERGENT Investments are implemented and complied with accordingly and effectively;
 - ✓ periodical approval and examination of the risk management policy and the measures, processes, and techniques of implementing it, including the risk limiting system of the fund;
 - ✓ establishing and implementing policies and procedures of assessment of the Fund's shares, in compliance with article 19 of Directive 2011/61/EU;

- ✓ ensuring that the Fund has a permanent and effective function of compliance verification;
- ✓ establishing and implementing a remuneration policy in compliance with the provisions of Annex II of Directive 2011/61/EU.
- (c) contracting bank loans;
- (d) concluding the contracts with the Depository, auditor, and entity which keeps evidence of the shareholders;
- (e) delegation of the company's right of representation towards other managers, also establishing the mandate's boundaries;
- (f) approving the company's internal regulations, compliance procedures and internal regulation, internal audit, risk management, and legal assistance of employees, managers, and members of the Board of Directors;
- (g) negotiating the collective employment contract;
- (h) approving the setting up/dismantling of the directive committee, with the quorum of decision approval laid down in the Memorandum of Association;
- (i) approval of the company's organization, its organizational chart, and payment limits;
- (j) designating the individuals position of director replacement;
- (k) approving the participation level to the benefit plan for managers and executives, payment including share allocation or the option to acquire company shares, complying with statutory provisions;
- (l) ensuring that the company features an IT system that allows for the safekeeping of market price records for each asset in the portfolio, net asset value, net asset unit value for the regulated periods of reporting, underlining the method of calculation for all fees, taxes, and owned rates, keeping the history of the operations for a duration of minimum 5 years;
- (m) approving the activity reports of the internal audit, compliance, and risk management departments;
- (n) approving the investigation plan of the compliance department;
- (o) having available measures to remedy any situation in which the law may be infringed upon, of the enforced regulations incidental to the capital market or of internal procedures by EVERGENT Investments or its employees, following the assessment by the compliance officer of the written forwarded proposals;
- (p) notifying the FSA and market institutions involved about the situations detected by the compliance officer regarding the infringement of the legal regime that is applicable to the capital market and the adopted measures;
- (q) approving the multiannual and annual internal audit plan and the necessary resources;
- (r) approving the internal audit reports and measure plans in order to implement the recommendations;
- (s) approving the crisis simulation plans;
- (t) approving the results of the annual internal self-evaluation operational risks, including IT operational risks and of the internal control system, the risk response plan which presents measures for the prevention and decrease of operational risks;

- (u) approving the quarterly risk reports of the risk management department;
- (v) approving the classification of information into the categories of privileged and confidential information and measures taken towards managing them;
- (w) approving the asset evaluation methods in compliance with the international standards of evaluation that mainly contain:
 - a. methods for market approach;
 - b. methods for income approach;
 - c. methods for cost approach.
- (x) approving and examining any policy and amendment to the asset evaluation procedure;
- (y) approving the Money Laundering/Terrorism Funding committees' general strategy, ensuring an adequate and efficient governance framework for MLC/TFC, the responsibilities including at least the following:
 - ✓ oversees and monitors the adequacy and efficiency of policies, internal standards, mechanisms and procedures of Money Laundering/Terrorism Funding (ML/TF) risk management, with respect to the ML/TF risk that the company is exposed to and, should the case arise, has measures in place to review them;
 - ✓ appoints the direct leader responsible for ML/TF and assesses their adequacy or analyzes the adequacy assessment, communicating to them the decisions that may affect ML/TF risks to which the company is exposed to;
 - ✓ assigns the individual who ensures the ML/TF compliance officer's task performance;
 - ✓ approves the ML/TF compliance officer's activity report or, should the case arise, orders its review;
 - ✓ periodically receives actualizations regarding activities that expose the company to an increased risk of ML/TF and is informed with respect to the ML/TF risk assessment results within the entirety of the activity, having direct and permanent access to all of the company owned data and information that is necessary to meet the obligations laid down by the ML/TF legislation in force.
- z) approving the annual Committee activity report for the appropriate management of international penalties on the capital market;
- w) solving any other problems established by the GMS or by the legal regulations or provisions.

The main objective of the Board of Directors, medium and long term, defined and determined by EVERGENT Investments' peculiarities and by the macro-economic context in which it operates, is ensuring a balance between activity continuity in optimal and sustainable conditions and the satisfaction of the shareholders' expectations.

The managers' obligations and liabilities are regulated by the provisions referring to the mandate and by the provisions especially laid down in Law no. 31/1990 regarding companies, Law no. 74/2015 regarding the alternative investment fund managers, Law no. 297/2004 regarding the capital market, Law no. 24/2017 regarding the financial statement issuers and market operations, the applicable FSA regulations, and the

provisions of the Memorandum of Association.

The members of the Board of Directors have the knowledge, ability, and adequate experience to understand the company's field of activity, especially the main risks associated with the activity, including sustainability risks, as well as the assets that EVERGENT Investments invests in.

The Consulting Committees of the Board of Directors

The Board of Directors may create consulting committees consisting of members of the board, tasked with carrying out investigations and drafting recommendations for the board, in fields such as audit, manager, executive, and employee remuneration, or the nomination of candidates for different leadership positions¹ etc. The Board of Directors lays down the internal rules for established committees.

In applying the principles of the “EVERGENT Investments Corporate Governance Code”, the consulting committees usually consist of non-executive and independent members who oversee the specific activity of the leadership in effect and the executive. As such, a clear division is ensured within current activity, of control and supervision responsibilities with respect to the tasks of the executive management.

The committees' fields of activity are coordinated by a president who shall be elected from within the members. The Board of Directors shall immediately be informed with respect to electing the president. The Board of Directors may lay down additional responsibilities for the committee presidents, while at the same time establishing the appropriate compensation.

The consulting committees of the Board of Directors must consist of at least two² members, in compliance with the legal and statutory provisions of the Memorandum of Association.

EVERGENT Investments shall abide by the Bucharest Stock Market's legal requirements and recommendations, concerning:

- ✓ at least one member of every committee must be an independent non-executive manager;
- ✓ the Audit and Remuneration committees consist only of non-executive managers;
- ✓ at least one member of the Audit committee must have experience in implementing accounting principles or in financial audit;
- ✓ *the Nomination-Compensation committee* shall consist of non-executive members and the majority of the members must be independent – Bucharest Stock Market recommendations for the Premium category;

¹ Law 31/1990 regarding companies – art. 140² paragraph (1): “The Board of Directors may create consulting committees consisting of at least 2 members of the board who are tasked with carrying out investigations and drafting recommendations for the Board, within fields such as audit, manager, executive, auditor, and employee remuneration or the nomination of candidates for different leadership positions. The Committees shall regularly forward reports on their activity to the Board”.

² Memorandum of Association, art. 7 paragraph (24): “The Board of Directors may set up consulting committees consisting of at least 2 board members who are tasked with carrying out investigations and drafting recommendations for the Board, following the applicable legal framework, within fields such as audit, manager, executive, and employee remuneration or the nomination of candidates for different leadership positions. The Committees shall regularly forward reports on their activity to the Board”.

- ✓ *the Audit committee* must consist of at least three members and the majority of the members must be independent – Bucharest Stock Market recommendations for the Premium category.

The Audit Committee

The Audit Committee is a permanent committee of the Board of Directors, that is independent from the EVERGENT Investments executive management. The Audit Committee assists the Board of Directors in carrying out their responsibilities in the field of financial reporting, internal control, internal and external audit, and risk management. The committee will issue recommendations regarding different themes that are subject to the decision-making process.

The components of the Audit Committee shall be established by the Board of Directors. The Audit Committee consists of 3 elective members from among the non-executive managers.

The majority of the board members shall be non-executive independent managers (under provisions of Law no. 31/1990). The committee president shall be a non-executive independent manager.

The Audit Committee must have the qualifications laid down by the law of the field in which the company carries out its activity. At least one member of the Audit Committee must be competent with respect to accounting and statutory audit, proven through qualification documents for the fields in question.

Attributes, responsibilities:

- (a) inform the Board of Directors with respect to the statutory audit results and explain their contribution to the integrity of the financial report and what the role of the Audit Committee was within the project;
- (b) monitor the financial report process and send out recommendations or proposals to ensure its integrity;
- (c) approve the accounting policy Manual of EVERGENT Investments;
- (d) monitor the effectiveness of quality internal control systems, the company's risk management systems, and internal audit with respect to the financial reporting of EVERGENT Investments, without breaching its independence.
- (e) monitor the annual financial statements assessment and the strengthened annual financial statements, especially conducting it, while considering the observations and conclusions of the able authority, in compliance with the regarded regulations in force;
- (f) analyze the audit report and/or the opinion of the financial assessor with respect to essential assets that result from the financial audit, as well as in regard to the financial reporting process and recommend the measures that shall be enforced;
- (g) analyze the observations and recommendations of the financial assessor regarding significant deficiencies of the internal control, with respect to the financial reporting process;
- (h) are responsible for the selection procedure of the financial assessor or the audit firm and make recommendations to the Board of Directors with respect to selecting,

naming, and replacing them, undergoing GMS approval, as well as the terms and conditions of their compensation, in compliance with the regarded regulations in force;

(i) evaluate and monitor the audit firm or financial assessor’s independence and, especially, the opportunity of supplying services that are not audit related, in compliance with the regulations in force;

(j) assess any conflicts of interest tied to the company’s transactions and its branches with the affiliated parties;

(k) any company transaction with any of the other companies that it is closely tied to, with a value equating to or greater than 5% of the company’s net assets (according to the latest financial report) shall be approved by the Board following a mandatory opinion by the Audit Committee;

(l) approve the internal audit Charta and the internal audit and internal control procedures;

(m) analyze and approve the annual and multiannual internal audit plan, as well as any of the significant interim amendments and the necessary resources related to the activity;

(n) analyze and approve the annual investigation plan for the compliance department, as well as its amendments;

(o) ensure that the internal audit and the internal control analysis and the drafted reports are in compliance with the audit and control plans approved by the Board of Directors;

(p) monitor the implementation of legal and internal audit standards that are generally accepted. The Audit Committee receives and evaluates the internal audit team’s reports, reviews and approves the observations and recommendations of the internal audit, as well as the plan to implement them;

(q) receives the compliance officer’s report, assesses and approves the proposed observations and recommendations and the plan to implement them;

(r) assesses and approves the annual report regarding any internal audit activity;

(s) assesses and approves the annual report with respect to compliance activity;

(t) assesses and approves the annual report regarding risk management activity;

(u) assesses and approves the risk policy, the risk procedures, and the risk management methodology;

(v) assesses and approves the risk management department’s risk reports.

The Nomination-Remuneration Committee

The Nomination-Remuneration Committee is a permanent committee of a consulting nature that is independent of EVERGENT Investments’ executive leadership, in subordination to the Board of Directors.

The committee assists the Board of Directors in carrying out tasks in the field of nomination and remuneration of its leadership members, as well as compensating them.

The committee consists of at least 2 non-executive members of which at least one is an

independent member, in the sense that they comply with the principle of independence laid out at article 18 of the *FSA Regulation no. 1/2019 regarding the evaluation and approval of leadership members and of the individuals with key positions within the entities regulated by the FSA*.

Attributes, responsibilities:

- (a) drafts recommendations regarding the nomination policy of the company's managers and executives to be submitted to the approval of the Board of Directors.
- (b) endorses, prior to the approval by the Board of Directors, and monitors compliance with the company's management, executive, and employee remuneration policy, drafted and implemented by the company's executive leadership. Should they become aware of any irregularities in the drafting or implementation of the remuneration policy, the members of the committee shall immediately communicate what they found in writing to the executive leadership and see to their correction, as well as informing the members of the Board of Directors accordingly. The executive leadership has the obligation to provide an answer in writing towards the committee within 3 working days from the moment of receiving the complaint; in turn, they will inform the members of the Board of Directors. Should the executive leadership refuse or delay without justification the implementation of the amendments solicited by the committee, the Board of Directors has the obligation to send a report of ascertainment to the FSA regarding the identified misconduct within the EVERGENT Investments S.A. remuneration policy. The report shall be submitted within 10 working days from the drafting date of the written report by the Nomination-Remuneration Committee.
- (c) may draft recommendations with respect to remuneration policy within the EVERGENT Investments Group;
- (d) shall submit the annual report regarding the compensations and other advantages granted to managers and executives within the financial year to the Board of Directors;
- (e) takes note of the documentation at the disposal of the financial assessor for the analysis of significant transactions reported in compliance with article 108 of Law no. 24/2017⁴ regarding the financial instruments and market operations issuers and, following the audit report, will recommend the measures to be enforces, should the case arise;
- (f) drafts recommendations with respect to occupying vacant positions among the Board of Directors, while complying with the GMS decisions and the incidental legislation;
- (g) drafts recommendations regarding the measure adopted by the Board of Directors and/or executive leadership with respect to naming, employing, letting go (namely firing) department managers and staff with key and of control positions, as well as establishing the rate of compensation and their rights and obligations;
- (h) periodically evaluates the level of appropriation and implementation of specialized knowledge and makes recommendations with respect to the continuous update process of the managers' and executives' levels of professional ability;
- (i) makes recommendations towards improving knowledge regarding the company's field of activity for the purpose of applying the best corporate governance practices;

(j) monitor compliance with the transparency requirements and obligations, informing and reporting with respect to information from within this activity sector.

The Investment Committee

The Investment Committee is a permanent committee, of advisory nature, independent of the EVERGENT Investments S.A. executive leadership, accountable to the Board of Directors.

The Investment Committee assists and supports the Board of Directors in accomplishing its responsibilities in the strategy drafting and investment policies field, following through with the decisions regarding the implementation of the investment policy, of performance assessment of the financial instruments portfolio, and management of adjacent risks.

The committee consist of at least 2 non-executive members, of which at least one is an independent member, in the sense that it abides by the principle of independence laid down by the *FSA Regulation no. 1/2019 through the evaluation and approval of leadership structure members and of individuals with key positions within the framework of entities regulated by the FSA.*

Attributes, responsibilities:

- (a) issues recommendations to the Board of Directors with respect to the strategy and investment policy;
- (b) issues recommendations to the Board of Directors regarding the main activity directions and the sustainable development of society;
- (c) issues recommendations regarding the based investments' annual objectives within the annual activity programs;
- (d) issues recommendations to the Board of Directors with respect to new investment and/or divestiture projects and programs that are under the approval of the Board of Directors;
- (e) issues recommendations to the Board of Directors regarding:
 - maximizing the performance of the financial instruments portfolio;
 - allocating assets for performance increase, correlated with the activity program approved by the GMS, with the strategy and investment policy and economic prognoses;
- (f) analyzes any investment proposal that is addressed to them and brings to the Board of Directors new investment opportunities and methods of improving the activity of efficient asset management;
- (g) assesses and issues recommendations with respect to equity operations, increases and decreases of share capital, as well as the share buyback programs with the purpose of decreasing share capital or to carry out the Stock Option Plan programs;
- (h) the investment proposals that will make the purpose of the assessment by the Investment Committee shall mainly be:
 - investments within companies that EVERGENT Investments has control over, complying with the statutory provisions and Management Committee decisions:
“article 7 paragraph (18) item (j) decides the establishment of other companies or legal entities, including the participation in the share capital of other companies, under the conditions laid down by the legal

provisions”

- transactions with transferable securities or shareholdings that are already included in the portfolio and not included in the annual activity program, of a minimum of 20 mil. lei;
 - investments in new projects, transactions with transferable securities newly issues and not included in the portfolio, developing new lines of strategy;
- (i) issue recommendations with respect to the strategy of restructuring the asset portfolio;
- (j) issue recommendations regarding the strategy of portfolio optimization;
- (k) carry out investigations within their field of activity;
- (l) assess and endorse the method of integrating risks tied to durability within the decision-making process.

The Secretariats of the Board of Directors, the Managing Committee, and Consulting Committees – general rules

1. The Board of Directors, the Managing Committee, and the Consulting Committees of the Board of Directors carry out their activity according to their own organizational and functional regulations, approved by the Board of Directors.
2. The Secretariats are not distinct organizational departments; they function within the governance structures.
3. The Board of Directors and Committee Secretaries, as well as their replacements, are appointed through decision by the Board of Directors at the suggestion of the CEO.
4. The Secretariat has the following base responsibilities:
 - technical organization of meetings.
 - communicating the opinions and/or decisions towards the departments.
 - drafting the meeting report, the development of project reports that are submitted for the approval of the able bodies, including following up with the implementations of the Board of Directors’ decisions, with the support of the involved departments;
 - the physical and electronic archival of meeting documentation; in person archival is ensured at main headquarters.

Counselor of the Board of Directors

Through a decision made by the Board of Directors, individuals may be hired as counselor to the Board of Directors.

Main attributes:

1. assesses and formulates observations and substantiated proposals on the edges of the documents and memos drafted by the other structures on themes brought forward to the attention or endorsement of the FSA and other abled authorities.
2. identifies, within the assessment of the subjects submitted for debate to the leadership structure, the aspects that are not regulated accordingly and formulates proposals towards improving the regulation framework;
3. assesses and formulates observations and proposals regarding the way in which the principles of corporate governance are followed by EVERGENT Investments and the

measures that must be adopted for the implementation of the Bucharest Stock Market recommendations from the Code of Corporate Governance of EVERGENT Investments;

4. makes proposals regarding internal regulation review and the optimization of activity organization of the Board of Directors/Managing Committee secretariat and the Consulting Committees' secretariat, including with respect to the organizational regulation and function of these structures.
5. oversees, at the express request of leadership structures or their members, the way in which leadership decisions are carried out to fruition;
6. following the designation by leadership structures or their members, may participate in external work reunions, after which reports will be drafted;
7. provide specialized assistance to non-executive members of the Managing Committee.

Competence delegations within the Board of Directors

The Board of Directors approves competence assignments and establishes the competence boundaries for CEO, chief CEO, and the Management Committee.

The operations carried out on the basis of abilities assigned to the executives shall be reported to the Board of Directors through written or verbal reports.

The Board of Directors has delegated to the CEO and chief CEO the tasks featured in the current regulations' table of contents.

The Board of Directors approves the competence assignment and/or the right for representation by other managers, also establishing their boundaries. The operations carried out based on the assigned abilities by the Board of Directors to other managers is subject to reports that shall be presented in the Board of Directors' meetings.

1.3. The executive management of EVERGENT Investments

The executive management of the company is ensured in compliance with the provisions of the Memorandum of Association, the Board of Directors' decisions and enforced regulations by the CEO and chief CEO, who have the status of company executives according to Law no. 31/1990 with respect to companies. The executives shall meet the legal requirements in order to carry out their positions, and sufficient experience according to FSA regulations, including tied to investment strategies followed by the AIFM administered AIF.

Executive management is assigned by the Board of Directors according to statutory provisions, the identity of the individuals in question being immediately communicated to the FSA.

The Executive management:

- is authorized to lead and coordinate daily company activity in compliance with the activities coordinated by each executive;
- is responsible for implementing the general investment policy, ensuring that work procedures and internal regulations are carried out;

- informs the Board of Directors with respect to the activity carried out between their regular meetings.

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

- (a) ensuring the implementation of the risk management policy, the procedures and methodology for identifying, evaluating, monitoring, managing, and reporting significant risks, at any moment, that the company is or may be exposed to, approved by the Board of Directors;
- (b) adopting the adequate and effective measures, processes, and techniques for monitoring and controlling all relevant risks, in compliance with the risk management policy;
- (c) ensuring the necessary resources towards implementing the risk management system;
- (d) establishing abilities and responsibilities within risk management at the level of each line of activity;
- (e) implementing and accordingly and efficiently carrying out the undertaken risk boundaries, including in case of crisis situations, as well as its classification within the risk profile approved by the Board of Directors;
- (f) ensuring that crisis simulations are carried out;
- (g) establishing and maintaining an adequate reporting system with respect to risk exposure;
- (h) quarterly evaluation of the plan for ensuring activity continuity and for emergency situations aiming to eliminate or minimize risks;
- (i) developing a culture of risk integrated within EVERGENT Investments that is based on a complete understanding of risks, including durability risks with which the company is confronted and how they are managed, taking into consideration its risk appetite;

In the field of ensuring compliance, the executives are responsible for:

- (a) approving the compliance policy (may be an integrated document or a cumulation of distinct internal regulations);
- (b) analyzing, at least yearly, the compliance policy and its implementation method within EVERGENT Investments;
- (c) ensuring the necessary resources in order to implement the conformity policy;
- (d) disposing measures taken to control compliance risks.

CEO

The CEO shall enforce the Board of Directors' decisions, in the sense that they issue written decisions and provisions. The decisions and provisions are immediately binding and come into effect from the moment that they are brought to the attention of the individuals that are empowered to carry them through.

The CEO has the following attributes:

- (a) effectively and directly leading the company's activity in compliance with the general objectives established by the GMS;
- (b) implementing the company's general investment policy;

- (c) managing the company’s assets within the boundaries laid down by the law, the Memorandum of Association, the GMS decisions or the Board of Directors’ decisions;
- (d) the patrimonial engagement of the company with third party legal reports, through own signature;
- (e) concluding contracts, except for those that are exclusively within the Board of Directors’ ability;
- (f) approving the measures with respect to protecting the integrity of assets that are moveable, immovable, and intangible that are among company heritage;
- (g) tasks regarding transaction and/or negotiation with third parties with respect to the company’s assets or rights withing the boundaries laid down by the law, the Memorandum of Association, the GMS decisions or the Board of Directors’ decisions;
- (h) the company’s representation as compared with third parties and the judicial system;
- (i) collaboration with the company’s assessors, with the company depository, and the entity that keeps shareholder evidence, as well as with the other control or surveillance bodies within the company;
- (j) approving the content within the market and shareholder information report with respect to any deed or fact that is subject to a mandatory legal report;
- (k) the internal organization of the company, keeping in mind the legal provisions of the company’s Memorandum of Association, internal regulations, organizational chart, and the company’s state of functions, as well as the Board of Directors’ decisions;
- (l) hiring, promoting, and letting go of company employees, with the exception of department managers and individuals holding key positions that are assigned by the Board of Directors, ass well as exercising disciplinary action with respect to company employees, in compliance with legal standards and internal regulations;
- (m) informing and negotiating with the company’s employees, on a regular basis, their individual employment contracts, as well as the working conditions;
- (n) rewarding the employees within the boundaries established by the CCM and/or the Board of Directors;
- (o) attributes of control and verification if the method of task completion by the company employees or other individuals under contractual reports with the company;
- (p) informing the company’s Board of Directors with respect to the activity being carried out, according to the applicable legislation;
- (q) other attributes established by the company’s Board of Directors through a decision or that is expressly laid down within the legal provisions.

The CEO coordinates the company’s entire field of activity according to the executive staff’s attributes and organizational chart. They coordinate the daily activities of the Executive and the following departments: Interna Audit, Compliance, Risk Management, Financial Department, Judicial Services, Corporate Governance and Investor Relations Services, IT Services, Asset Evaluation Services, Human Resources – Logistic Services, the Activity regarding labor health and security, and the Activity of prevention and putting out fires and physical security.

The CEO has the capacity of being the direct leader responsible for MLC/TF, having specific responsibilities according to incidental legal provisions, different to how they

are established through the management contract.

The CEO leads and coordinates the Management Committee.

In the case of their absence, the attributes assigned by the Board of Directors shall be under the ability of the chief CEO and the effective management of the company will be ensured by the chief CEO and one of the individuals designated as replacement and FSA notified.

Chief CEO

The chief CEO has the following attributes:

- (a) implementing the Board of Directors' decisions;
- (b) effectively and directly leading the company's field of activity, in compliance with the general objectives established by the GMS;
- (c) managing the company's assets within the boundaries laid down by the law, the Memorandum of Association, the GMS decisions or the Board of Directors' decisions;
- (d) the patrimonial engagement of the company with third party legal reports, through own signature, in compliance with internal regulation provisions and within the established ability boundaries;
- (e) concluding contracts, except for those that are exclusively within the Board of Directors' ability and/or the CEO;
- (f) approving the measures with respect to protecting the integrity of assets that are moveable, immovable, and intangible that are among company heritage;
- (g) tasks regarding transaction and/or negotiation with third parties with respect to the company's assets or rights withing the boundaries laid down by the law, the Memorandum of Association, the GMS decisions or the Board of Directors' decisions;
- (h) the company's representation as compared to third parties and the judicial system;
- (i) collaboration with the company's assessors, with the company depository and the Central Depository, as well as with the other control or surveillance bodies within the company;
- (j) approving the content within the market and shareholder information report with respect to any deed or fact that is subject to a mandatory legal report;
- (k) the internal organization of the company, keeping in mind the legal provisions of the company's Memorandum of Association, internal regulations, organizational chart, and the company's state of functions, as well as the Board of Directors' decisions;
- (l) the management and promotion of company employees in compliance with legal standards and internal regulations;
- (m) rewarding the employees within the boundaries established by the CCM and/or the Board of Directors;
- (n) attributes of control and verification if the method of task completion by the company employees or other individuals under contractual reports with the company;

- (o) informing the company’s Board of Directors with respect to the activity being carried out, according to the applicable legislation;
- (p) other attributes established by the company’s Board of Directors through a decision or that is expressly laid down within the legal provisions.

The chief CEO ensures daily coordination of the following departments: the “Energy-Industrial” portfolio, the “Financial-Banking” portfolio, the “SELL” portfolio, the “Private Equity” portfolio, “Transactions” Services”. The components of the financial instruments portfolios shall be established through Management Committee decision.

In the case of their absence, the attributes assigned by the Board of Directors shall be under the ability of the CEO, and the effective management of the company shall be ensured by the CEO and one of the individuals designated as replacement and is notified to the FSA.

1.4. The Management Committee

The Board of Directors assigns the management of the company to the CEO and the Chief CEO; together they form the Management Committee.

The CEO and chief CEO may also act as company managers.

Establishing and dismantling the Management Committee shall be approved with the majority vote of present managers.

The CEO and chief CEO, who form the Management Committee, shall effectively lead the company’s field of activity within the assigned ability boundaries.

Each company executive coordinates some departments’ daily activity, according to the organizational chart, and adopts individual decisions in their specified fields of activity; together they adopt decisions within the collective labor body, the Management Committee, in implementing the legal requirements that the executives ensure the effective management of the company.

In this respect, the Committee adopts decisions regarding:

- ✓ implementing the investment strategy established by the Board of Directors;
- ✓ implementing the Board of Directors’ decisions which target the assigned abilities;
- ✓ the matters within the Board of Directors’ field of expertise and which shall be debated and approved, targeting the assigned attributes;
- ✓ issues that, through their magnitude, may impact all lines of activity (business, support, compliance);
- ✓ issues that, in order to adopt a decision, require full understanding and harmonization of aspects related to business and compliance.
- ✓ approving procedures specific to the company’s departments.

The meetings of the Management Committee also represent the internal framework for the complete and mutual information of the executives on matters specific to the

coordinated fields.

The competence boundaries of the Management Committee, the CEO, the chief CEO are established by keeping account of the base responsibilities of the Board of Directors which may not be assigned (provisions of article 7, paragraph (19), items a-l of the Memorandum of Association).

Organizing and carrying out the Management Committee's field of activity.

In the interval between the Board of Directors' meetings, the Management Committee carries out its activity within the boundaries of the established expertise. The Management Committee presents, during the Board of Directors' meetings, the adopted decisions and the situation of the operations being carried out.

The legally adopted decisions are mandatory to executives and employees and are binding from the moment of their written communication if, within their contents, there is no other foreseen term after the briefing.

The decisions of the Management Committee shall be taken after the unanimous vote of its members.

Should the situation arise in which decisions cannot be adopted within the Management Committee because the voting process has not reached a consensus, the subject in question shall be submitted for the Board of Directors' assessment, aiming at adopting a decision.

The CEO leads and coordinates the Management Committee, capacity that involves:

- a) convening the Management Committee whenever necessary to submit the matters within their expertise for debate and approval;
- b) sees to that the Management Committees' decisions are met and reports to the Board quarterly with respect to the stage of their implementation;
- c) informs on the adopted decisions during each Board of Directors meeting.

1.5. Managing Director

The managing director has the status of company employee and is subordinated to the Management Committee.

The functional relations of the managing director are:

1. being accountable to the CEO, the Management Committee, the chief CEO;
2. collaborating with all of the departments within the company;
3. coordinating all the departments that are accountable to them, in accordance with the organizational chart.

The managing director has the following main attributes:

1. Ensures the daily coordination of the departments and the necessary framework to carry out the departments' fields of activity, coordinated in accordance to the organizational chart, through organizing, planning, and monitoring their activities for the purpose of accomplishing the specific objectives at an increased level of performance;

2. Organizes, guides, verifies, and oversees the internal and inter-departmental fields of activity, implementing the necessary measures to ensure that the internal processes are adequately carried out in accordance with the specified and approved procedures, complying with the legislation and the correct understanding and implementation of specific regulations;
3. Ensures the implementation of the decisions adopted by the Management Committee and the CEO within the agreed upon timeline;
4. Formulates proposals to improve the departments' fields of activity that are under their coordination, for the purpose of optimizing internal resources and effectiveness of the operations being carried out, in accordance with the applicable internal procedures;
5. Facilitates and ensures the collaboration with other departments and structures within the company, ensuring the necessary transfer of information in order to adopt the decisions;
6. Assesses and distributes towards resolution the documents within the company, implements the resolutions from the documents assigned to the CEO and/or formulates resolutions on the documents referring to the coordinated departments' fields of activity, assigns the work and establishes the settlement terms;
7. Certifies and/or approves all of the documents drawn up within the coordinated field of activity, in accordance with competence and within the boundaries approved by the CEO and the Management Committee;
8. Coordinates, carries out, and/or effectively participates in the elaboration of projects assigned to the company's departments and/or inter-departmental projects, within the established timeline, and reports to the executive leadership with regards to the method of completing them;
9. Coordinates, from the point of view of complying with internal regulations, the procedures and decisional processes, as well as the activities within the responsibility of their coordinated departments;
10. Reports to the Management Committee and the CEO with respect to the activity being carried out; follows the completion of the decisions made by the Management Committee and reports quarterly to the Management Committee and the Board of Directors regarding the stage of their implementation, on the basis of the information communicated by the managers and department or project leaders, as is the case, in accordance with internal procedures and leadership decisions;
11. Fulfills any other work attributes assigned to them according to the internal and legal regulations in force, the job description, or that are entrusted to them by the executive leadership.

2. Functional departments. Structure. Attributes. Responsibilities.

General stipulations

- 1) The departments are hierarchically subordinated according to the organizational chart.

- 2) The counselors of the Board of Directors, department managers, the individuals designated as replacements for the managers, and the individuals holding key positions shall be appointed by the Board of Directors. The rest of the staff shall be hired by the CEO.
- 3) Portfolio managers and department leaders are responsible for the entire activity carried out within the department, have the obligation to assess and provide solutions for the documents coming in and are responsible for filing the managed documents according to the specific procedures.
- 4) The department coordinators are responsible for tracking the development of contracts regarding the department's field of activity and have the ability of carrying out technical correspondence with respect to the implementation of contractual provisions, without engaging the company's heritage.
- 5) The department coordinators assess and propose the maintenance or amendment of the organizational structure of their coordinated department, in correlation with the company's objectives and resources, annually, at the same time as the foundation process of the income and expense budget.
- 6) The departments shall carry their activity out in accordance with the procedures approved by the Management Committee – specifying the method that the activities are being carried out in, as well as the responsibilities of the executive staff. In the EVERGENT Investments field of activity data is used, as well as managed information and reports, in compliance with system procedures, operational and working procedures, and of those in the integrated IT system.
- 7) In compliance with the defined attributes and responsibilities for each functional department, specific work procedures shall be drawn up. General procedures, as well as activity procedures that are specific to internal audit, compliance, risk management, and the legal assistance for employees, managers, and members of the Board of Directors shall be approved by the Board of Directors. The procedures specific to each functional department are approved by the executives. From the date at which the procedures go into effect, they shall be abided to by all employees who carry out procedural activities regardless of the department in which they are carried out. The internal regulations of the company, specific to the capacity of alternative investments fund manager and alternative investments fund are drawn up and reviewed under the coordination of the compliance department, with participation of all involved departments.
- 8) The individual responsible for the procedure is under the obligation of updating it in compliance with the amendment of the aspects that stood at the base of its drafting (legislative referrals, organizational structures, process amendments etc).
- 9) The department coordinators are responsible for ensuring compliance and prudential boundaries of all operations carried out within the coordinated departments, of completing the documentation and operations necessary to the fulfillment of GMS decisions, CA and Management Committee decisions, in accordance with the decisions and provisions of the leadership and internal procedures, with periodical reports, complying with the rules established by the company.

- 10) The department coordinators are responsible for the self-evaluation of risks that are adjacent to the activities being carried out and the internal control system, of conducting communication regarding exposure to new risks and changes that have intervened within already identified risks.
- 11) The department coordinators assess, at least yearly, the significant risks within their own fields of activity, including the risks tied to durability and follow the stage of implementing instruments for control and their effectiveness.
- 12) The following departments: “ENERGY-INDUSTRIAL” portfolio, “FINANCIAL-BANKING” portfolio, “PRIVATE-EQUITY” portfolio, “SELL” portfolio, “TRANSACTIONS” Service – represent the structures responsible with the assessment and specific substantiation of investment opportunities and placing of assets in compliance with the investment strategies approved by the executives.
- 13) The reports drawn up by functional department coordinators and presented to the Board of Directors shall be required to include the conducted operations based on the abilities assigned to the managers, presented in their succession, as well as the aspects tied to operational risk events and the self-evaluation process and managing identifies risks within the departments with the assessment of the impact on general and individual performance.
- 14) The reports presented to the Board of Directors shall be established by each department or formalized in a common report drawn up to abide by the minimal requirements of applicable recurrent reporting.
- 15) All employees shall abide by the compliance rules established by EVERGENT Investments.

2.1. The “ENERGY-INDUSTRIAL” portfolio

The department is subordinated to the chief CEO and coordinated according to general provisions.

The management of the “ENERGY-INDUSTRIAL” portfolio aims at:

- (a) managing the holdings of the “ENERGY-INDUSTRIAL” portfolio, comprised on the basis of medium and long term asset liquidity;
- (b) permanent recalibration with the purpose of opportunity fruition and constitutes resource support towards financing investments;
- (c) elaborating investment/divestiture strategies, outlining investment-related objectives and the ways to achieve them;
- (d) coordinating the elaboration of the company’s annual field of activity program;
- (e) following the completion stages of the investment-related objectives of EVERGENT Investments and initiating rectification measures, where necessary;
- (f) performing the assessments needed for the elaboration of investment/divestiture in assets/financial instrument programs (fundamental, technical, and risk analyses; ESG sustainability assessments);
- (g) tracking the implementation of the approved investment/divestiture programs;
- (h) ensuring portfolio safekeeping by drawing up strategies of specific risks, with classification within the applicable rules and prudential boundaries;

- (i) tracking the evolution of the macro-economic medium (evolution of main indices of internal and external capital markets, financial markets, macro-economic policies, monetary policy elements);
- (j) drawing up sectoral analyses that especially aim at the economic sectors represented in the EVERGENT Investments portfolio or that can present interest for EVERGENT Investments;
- (k) documenting and drawing up, in compliance with specific regulations, of sales notes and notes regarding capital operations;
- (l) selecting and analyzing projects/programs that make the object of new listings/closed type issuers/new issuers/equity partnerships/new products and other instruments that fall within the restrictions of the regulations in force, referring to the types of placements;
- (m) exercising shareholder attributes within the companies in the portfolio, complying with EVERGENT Investments objectives;
- (n) drawing up the representation warrants and training the representatives of EVERGENT Investments within the GMS of the companies in the portfolios, depending on the interests of the company and the necessity of their safekeeping;
- (o) monitoring the legal status of the decisions adopted by the issuers' GMS and the method of their implementation;
- (p) monitoring and recording important events that are produced within the companies in the portfolio;
- (q) adopting decisions regarding the protection of the company's interests through judicial or extrajudicial means, following the adopting within the portfolio companies' GMS of illegal decisions and decisions that affect the legitimate interests of EVERGENT Investments.

2.2. The “FINANCIAL-BANKING” portfolio

The department is subordinated to the chief CEO and coordinated according to general provisions.

The management of the “FINANCIAL-BANKING” portfolio aims at:

- (a) managing the holdings of the “FINANCIAL-BANKING” portfolio, drafted on the basis of medium and long term asset liquidity;
- (b) permanent recalibration with the purpose of opportunity fruition and constitutes resource support for investment financing;
- (c) drafting investment/divestiture strategies, outlining investment objectives and the ways to achieve them;
- (d) tracking the level of completion of the investment objectives of EVERGENT Investments and initiating correction measures, where appropriate;
- (e) carrying out the necessary assessments in order to draw up the investment/divestiture in assets/ financial instruments programs (fundamental, technical, and risk analyses);
- (f) tracking the implementation of approved investment/divestiture programs;
- (g) ensuring the safekeeping of the portfolio by drawing up strategies to cover the specific risks, with the classification within the applicable prudential rules and boundaries;

- (h) tracking the evolution of the macro-economic environment (the evolution of the main indices of internal and external capital markets, financial markets, macro-economic policies, elements of monetary policy);
- (i) drawing up sectoral analyses which mainly aim at the economic sectors represented in the EVERGENT Investments portfolio or that can present interest for EVERGENT Investments;
- (j) documentation and drafting of the sales notes and notes regarding capital operations, abiding by the specific regulations;
- (k) selecting and analyzing projects/programs that are the object of new listings/closed type issuers/new issuers/equity partnerships, new products and other instruments within the restrictions of the regulations in force, referring to placement types;
- (l) exercising shareholder attributes within the companies of the portfolio, in compliance with the EVERGENT Investments objectives;
- (m) drawing up the representation mandates and training the EVERGENT Investments representatives in the GMS of the companies in the portfolio, depending on the company's fields of interest and the necessity of their safekeeping;
- (n) monitoring the legality of the decisions adopted by the issuers' GMS and the method of their implementation;
- (o) monitoring and recording important events that take place within the companies of the portfolio;
- (p) adopting decisions regarding the safekeeping of company interests through judicial or extrajudicial means, following the adoption of illegal decisions within the GMS of the companies in the portfolio, decisions that affect the legitimate interests of EVERGENT Investments;
- (q) managing company liquidities, in close correlation with the liquidity and investment policies and the achievement of short term monetary placements;
- (r) planning the liquidity flow and placing monetary availabilities in bank deposits, deposit certificates or state bonds and planning the operations should the case of accessing bank loans arise;
- (s) carries out the company's corporate operations simulations of a share capital nature: increase - decrease of share capital, consolidation - split of nominal value shares, bond conversions, issue securities etc.

2.3. The “PRIVATE – EQUITY” portfolio

The department is subordinated to the chief CEO and coordinated according to general provisions.

The management of the “PRIVATE – EQUITY” portfolio aims at:

- (a) managing the holdings of the companies in which EVERGENT Investments holds a majority of packs;
- (b) drawing up and promoting development programs within the companies in the portfolio;
- (c) documentation and drafting of notes regarding capital shares, sales notes which also include ESG sustainability assessments, abiding by the specific regulations;

- (d) selecting and analyzing projects/programs that are classified, without limiting themselves, within the sectors aimed at current strategy and/or other sectors that may complete or initiate new strategic directions;
- (e) evaluating project budgets (costs/income);
- (f) handling risk management and organizing communication within the project;
- (g) tracking the implementation of approved investment/divestiture programs; identifying performance indices that are specific to the project/field of activity, tracking their classification within the levels approved by the company's leadership bodies, forwarding and informing of measure proposals, should the case arise;
- (h) exercising shareholder attributes within the companies of the portfolio, in compliance with the EVERGENT Investments objectives;
- (i) drawing up representation mandates and training the EVERGENT Investments representatives within the GMS of the portfolio companies, depending on the interests of the company and the necessity of their safekeeping;
- (j) monitoring the legality of the decisions adopted by the issuers' GMS and the method of their implementation;
- (k) monitoring and recording important events that take place within the portfolio companies;
- (l) adopting the decisions regarding the protection of company interests through: judicial and extrajudicial means, following the adoption within the portfolio companies' GMS of decisions that affect the legitimate interests of EVERGENT Investments;
- (m) negotiating some competitive performance criteria with the management teams of the portfolio companies;
- (n) performance assessment, development measures, and effectiveness within the activity promoted by the portfolio companies' management teams;
- (o) analyzing and verifying the budgets, costs, and incomes predicted in accordance with the business plans of the companies in the portfolio;
- (p) monitoring the investment processes.

2.4. The “SELL” portfolio

The department is accountable to the chief CEO and is coordinated according to general provisions.

The management of the “SELL” portfolio aims at:

- (a) managing the holdings of the “SELL” portfolio, aiming to restructure assets without increase potential through sales/transfer towards a specialized company where EVERGENT Investments has control;
- (b) carrying out the necessary assessments to draw up divestiture programs within assets/financial instruments (fundamental, technical, and risk analyses, ESG sustainability analyses);
- (c) tracking the implementation of approved divestiture programs;
- (d) participating in the process of negotiating investment/divestiture conditions and carrying out support operations for their implementation, for unlisted shares through promoting owned packs, organizing auctions or direct negotiations with the investors;

- (e) drawing up sectoral assessments which mainly aim at the economic sectors represented in the “SELL” portfolio;
- (f) documenting and drawing up, abiding by specific regulations, sale/purchase notes and notes regarding capital operations targeting the portfolio that is in the process of being restructured;
- (g) the assessment of the financial instruments portfolio; drawing up and implementing the increase measures of the portfolio’s performance;
- (h) exercising shareholder attributes within the portfolio companies, in compliance with the EVERGENT Investments objectives;
- (i) drawing up representation mandates and training the EVERGENT Investments representatives within the portfolio companies’ GMS, depending on the company’s interests and the necessity of their safekeeping;
- (j) monitoring the legality of the decisions adopted by the issuers’ GMS and the method of their implementation;
- (k) monitoring and keeping records of important events taking place within the companies in the portfolio;
- (l) adopting decisions regarding the protection of the company’s interests through judicial and extrajudicial means, following the adoption by the portfolio companies’ GMS of illegal decisions that affect the legitimate interests of EVERGENT Investments.

2.5. The Transaction Service

The department is subordinated to the chief CEO and is coordinated according to general provisions.

The management of the Transaction Service aims at:

- a) implementing the investment/divestiture programs by using transaction platforms or through negotiations carried out with the SSIF representatives; rules and internal procedures shall be drawn up and implemented, which allows for the submission of injunctions aiming at the prompt and equitable execution of transactions with financial instruments from the EVERGENT Investments portfolio;
- b) tracking the classification of transactions carried out within the approved boundaries through investment/divestiture programs;
- c) carrying out sell/purchase operations on liquid issuers selected in order to harness the opportunities offered by market fluctuation;
- d) achieving fund unit subscriptions;
- e) achieving subscriptions with share capital increase;
- f) tracking the evolution of the macro-economic field, aiming at identifying the favorable context for the achievement of financial instrument transactions;
- g) drawing up technical assessments (for issuers, indices, coins, goods) by using specific software, aiming at the achievement under optimal conditions of investment/divestiture programs;
- h) handling operational risks that are specific to the transaction activity;

- i) implementing risk cover strategies, with classification within the rules and applicable prudential boundaries aiming to ensure portfolio safekeeping;
- j) ensuring networking with the capital market participants in order to identify possible investors for the packs that are adjacent to the approved investment programs;
- k) negotiating the contractual clauses in order to conclude the contracts with mobile asset brokers, as well as tracking their progress;
- l) periodical estimation of the liquidities necessary for the transaction activity, share capital increase subscriptions etc;
- m) organizing public offers initiated by EVERGENT Investments which involve: broker selection and conclusion of the intermediate contract; supplying documentation in order to draw up the document/offer prospect; publishing the offer announcement, prospect/offer document, tracking the progress of the public offer;
- n) drawing up initiation notes of share buyback programs of EVERGENT Investments from the market, ensuring broker selection and concluding documentation with the broker, tracking the progress of buyback programs;
- o) negotiating the conditions of transaction issued shares by closed companies, organizing auctions, and concluding the sale and purchase contract;
- p) registration within the integrated IT system of information regarding issuers' quotas, indices, components, yields.

2.6. The Financial Department

The department is accountable to the CEO and coordinated according to the presented general provisions.

Department leadership is ensured by the CFO and, in their absence, by the Chief Accountant.

The Financial Department has the following main attributes and responsibilities:

- 1- implementing the International Financial Reporting Standards and enforcing the rules with respect to drafting and publishing the interim and annual financial statements, complying to IFRS (individual and strengthened) foreseen by these Standards, according to the applicable regulations issued by the FSA;
- 2- organizing and running own accounting, in compliance with the provisions of accounting Law no. 82/1991 of specific accounting regulations issued by the FSA and endorsed by the MFP, ensuring the preparation and on time submission of accounting reports, quarterly and annual financial statements and of the declarations and fiscal expense reports;
- 3- financial planning;
- 4- organizing and exercising the preventative financial control, according to internal regulations;

- 5- drafting the income and expense budget, with the integration of the investment budget, projected cash flow and financial indices that are the base of drawing up the annual activity program by the departments tasked with managing the portfolio;
- 6- coordinating the financial planning activity, financial tracking, and financial reporting for the branches of EVERGENT Investments S.A. and creating a uniform procedural framework in the financial-accounting field, within the EVERGENT Investments Group.

2.6.1. The Accounting Service

The service is subordinated to the CFO and coordinated according to the presented general provisions.

Service leadership is ensured by the Chief Accountant and, during their absence, by the replacement of the Chief Accountant.

Through the Accounting Service, the following tasks are achieved:

- 1- organizing and running accounting;
- 2- financial planning and tracking the drafting of the income and expense budget;
- 3- financial reporting;
- 4- meeting fiscal obligations;
- 5- keeping electronic records of all financial instrument transactions within the EVERGENT Investments portfolio and keeping these records in compliance with the legal provisions in force.

The Accounting Service's field of activity is presented in detail within the "Accounting Policies and Procedures" chapter.

2.6.2. The Financial Control – Group Service

The service is accountable to the CFO and coordinated according to the presented general provisions.

The Financial Control-Group Service:

- 1 – drafts, in collaboration with the EVERGENT Investments branch representatives, the procedures in the financial-accounting field that are applicable to them, through adapting the EVERGENT Investments procedural framework to the specifics of each branch;
- 2 - participates in the financial planning activities within the branches, through reviewing their budgets and the level of achievement reported to the branches;
- 3 – coordinates the branches' financial reporting activities and reviews their financial statements, granting drafting support and within the process of annual audit;
- 4 – monitors the financial-accounting activity of the branches and provides them with support;
- 5 – draws up periodical and impromptu reports and management assessments;
- 6 – participates in the internal projects of implementation of certain legislative amendments from the financial-accounting and fiscal fields within the branches;

2.7. The Human Resources – Logistics Service

The service is subordinated to the CEO and is coordinated according to the presented general provisions.

The Human Resources activity aims at:

- 1- ensuring the implementation of the legal framework regarding the negotiation, conclusion, and amendment of the collective employment contract, including internal Regulation;
- 2- drawing up the company’s organizational chart;
- 3- organizing the drafting activity and review of the job descriptions, so that the activity being carried out is ensured by a staff that has the ability, knowledge, and competence necessary to achieve the tasks that are attributed to them;
- 4- keeping an adequate and orderly record of the operations regarding internal organization according to the company’s organizational chart.
- 5- taking part in coming up with solutions with respect to work conflicts and employee complaints;
- 6- organizing and coordinating staff activity (drawing up staff employment forms, termination or amendment of the individual employment contract, handling employee files according to the law, drafting, completing, and handling the General Registry of employee record, organizing the planning activity, conducting and keeping evidence of employee time off, updating the staff data base, drawing up staff statistical summaries);
- 7- organizing, coordinating, and implementing the process of employee assessment;
- 8- drafting and implementing the professional training and improvement program for the employees;
- 9- organizing and coordinating the staff recruitment and selection process (with respect to the staff);
- 10- handling the technical stage of document collecting, filling up forms, and submitting towards the nomination-remuneration committee, through the secretariat, during the process of evaluation of the individuals within the leadership structure and of the individuals occupying positions with key functions, according to Policy and evaluation procedures, in implementing the FSA Regulation no. 1/2019.

The Logistics Activity aims at:

- 1- handling EVERGENT Investments property spaces (managing/renting/drafting and contract amendment);
- 2- updating the company’s operation notices;
- 3- organizing company headquarter guard services;
- 4- organizing cleaning, maintenance, and repairs activity;
- 5- handling the supply with maintenance materials, household and bureaucratic inventory;

6- organizing the operation involving owned means of transport.

2.8. The Asset Evaluation Service

The Service is accountable to the CEO and coordinated according to the general provisions.

The activities carried out by this department are presented in the dedicated document “Policies and Procedures of Asset Evaluation and Unit Value Calculation of Net Asset per Share”.

2.9. The Corporate Governance and Investor Relations Service

The Service is subordinated to the CEO and coordinated according to general provisions.

The department has, as objectives, ensuring the conditions for the shareholders to exercise their rights, the unitary implementation and abiding by the regulations regarding the organization and functionality of EVERGENT Investments, the implementation of the principles of corporate governance within the company’s field of activity.

Attributes and responsibilities:

Activity: Investor Relations

Regarding the communication field activity:

- 1- drawing up and implementing the corporate communication strategy;
- 2- achieving and adding value to the communication with the shareholders and investors;
- 3- ensuring the flow of information with the brokers with respect to exercising the shareholders’ rights;
- 4- achieving communication with the Central Depository regarding owned shares and the associated rights according to legal provisions;
- 5- ensuring the update of the EVERGENT Investments web page.

With respect to the preparation activity of the General Meeting of Shareholders (GMS):

- 1- coordinating the organizational activity of the GMS and ensuring technical secretariat;
- 2- drawing up procedural projects for the participation and the conduct of the GMS;
- 3- integrating the information and documentation adjacent to the proposed items on the agenda;
- 4- ensuring the collection, pick-up, and record keep of the shareholders’ options through participating in the GMS, abiding by the procedures and incidental regulations;
- 5- ensuring the management and archival of data adjacent to the shareholder registry.

Regarding the dividend distribution and payment:

- 1- analyzing and proposing methods of dividend payment, participate in the negotiation of technical conditions of dividend payment and track the execution of closed contracts;
- 2- ensure the allocation of due gross dividend at the registration date, the calculation of the net tax and net dividend on shareholder level and shall make the necessary data available to the Accounting Service in order to carry out the payments;
- 3- drawing up and sending the base data statements with respect to the tax withheld at the source, dividend payments, shareholder structures, and reports for state institutions with attributes in this domain.

With respect to tracking the exercising of the shareholders' rights:

- 1- drawing up specific structure analyses, dynamic and shareholder trends registry, with respect to the increase of adequacy and efficiency regarding the procedures and specific means of exercising rights;
- 2- assessing, proposing, and implementing the means to abide by the obligations withing the regulations that are targeting the rights of the shareholders.

Regarding organizing and carrying out corporate events:

- 1- analyzing and proposing, on the basis of the incidental legal framework, the deployment calendars, activities, logistic, and necessary operations to carry out corporate events.
- 2- ensure the calculation and allocation of financial instruments for each shareholder corresponding to the holdings, the algorithms, and corresponding procedures to the corporate operations being carried out.

Activity: Corporate Governance

- 1- tracking the adherence to the principles of corporate governance and the measures that must be adopted for the implementation of the capital market's institutions' recommendations with respect to the Corporate Governance Code;
- 2- drawing up and updating the EVERGENT Investments Code of Corporate Governance;
- 3- carrying out the legal institutional reports laid down in the Code of Corporate Governance;
- 4- handling privileged and confidential information within the EVERGENT Investments Group;
- 5- handling and harmonizing the system, operational, and work procedures that regulate the progress of the activities within the functional departments of the company, in accordance with the legal provisions and internal regulations;
- 6- establishing, implementing, and tracking the circuit of documents and information within the company;
- 7- coordinating the document archival process in the company, according to the EVERGENT Investments Archival Nomenclature and the specific procedure; the archive activity may be contracted to an external service provider, abiding by the regulations in force;
- 8- ensuring the archival (including electronic) of all the documents regarding the GMS secretariat's field of activity;

- 9- initiating and harnessing the consultation with the shareholders and investors with respect to the strategy and future of the society, monitoring the quality of achieving the objectives undertaken by the company towards its shareholders; quantifying the consultation results; providing support within managerial decisions;
- 10-drafting and implementing the social responsibility programs in correlation to the scale of the company's value.

Activity: managing personal data (GDPR)

Ensuring the implementation and surveillance of the measures enforced by the (EU) Regulation no. 2016/679 – handling personal information (GDPR):

- 1- proposing the assigned individual that shall be tasked with data safekeeping (DPO) from the internal source or by means of service contract;
- 2- informing the leadership and staff with respect to the policy and internal procedures that involve personal data processing;
- 3- provides DPO support for the safekeep of personal information through ensuring the necessary resources in order to execute these tasks;
- 4- request DPO counseling with respect to the assessment of the impact over data protection and monitoring its functionality;
- 5- manage the implemented GDPR audit module within SII EVERGENT Investments for the implementation of imposed measures, within the applicable regulations;
- 6- signal to the CEO and DPO the cases that do not abide by the legal provisions regarding the safekeep of personal data;
- 7- display public briefings with respect to personal data processing on the website.

2.10 The IT Service

The department is accountable to the CEO and coordinated according to the presented general provisions.

Attributes and responsibilities:

- 1- drawing up the annual budget project regarding IT acquisitions;
- 2- initiating proposals regarding the architecture of the IT system, developing and diversifying with calculation techniques and software programs, ensuring the implementation of accepted solutions;
- 3- ensuring the installation, maintenance, and management of the computer networks;
- 4- ensuring the installation, maintenance, management, and technical assistance for the entire IT support and the company's IT apps;
- 5- ensuring the upkeep of the EVERGENT Investments web page;
- 6- ensuring the development of new apps, as per request, for the use of the EVERGENT Investments employees. Drawing up and implementing the data restoration back-up policy in the case of outstanding events;
- 7- ensuring the security of the computer networks, access security, manipulation, and holding onto EVERGENT Investments data;
- 8- ensuring the integration, update, and optimization within the integrated IT system processes, operations, and corresponding data within the company's field of activity;

- 9- drafting, updating, and implementing the plan regarding activity continuity;
- 10- draw up the report regarding quarterly evaluation of the plan to ensure activity continuity and for emergency situations;
- 11- ensuring the implementation and certification of the Management System regarding Information Security.

2.11. The Legal Service

The department is accountable to the CEO and is coordinated according to general provisions.

Department leadership is ensured by the CEO and, in their absence, by a legal adviser appointed by them.

The department's main objectives are: assistance, consultancy, and legal representation. The department is specialized and has attributes and responsibilities within the following categories of activity:

Legal Consultancy:

- 1- ensures legal consultancy for the Board of Directors, the Management Committee, and for the company executives regarding the development or protection of the rights and legitimate interests of the company;
- 2- ensures legal consultancy on request and on the basis of the leadership's prior approval for the departments within the company with respect to the development or protection of the company's rights and legitimate interests;
- 3- ensures legal consultancy, at request and on the basis of a mandate, for the individuals who act in the execution of a mandate provided by the company executives or by the Board of Directors for the development or protection of the company's rights and legitimate interests;
- 4- ensures legal consultancy activities, on request and on the basis of a prior approval, for the departments' coordinators within the company which acts in performing work tasks or an express provision from the CEO or chief CEO, for the protection of the rights and development of the company's legitimate interests;
- 5- ensures general consultancy activities for the company in the commercial law field; civil law; penal law; contravention law; labor law and social security; administrative; intellectual property.

Legal Assistance:

- 1- ensures legal assistance for the Board of Directors, the Management Committee, and the company executives within the safekeep of the company's heritage and legitimate interests;
- 2- ensures legal assistance, on request and on the basis of prior approval for the department managers within the company who act in achieving work tasks or an express provision from the CEO or chief CEO, for the protection and development of a legitimate interest of the company;
- 3- ensures legal assistance for the establishment of demands, drawing up and supporting some judicial or extrajudicial actions of EVERGENT Investments in the defense or protection of the company's legitimate interests;
- 4- ensures legal assistance in drawing up documents of a legal nature;

- 5- issues, at leadership demand, legality notices regarding legal acts of which the company is a part of or directly interested in; assesses the clauses of any commercial contract employed by EVERGENT Investments and ensures their classification within the applicable legal and prudential boundaries;
- 6- ensures legal assistance operations for the EVERGENT Investments management towards achieving the company's object of activity;
- 7- ensures legal assistance operations for the EVERGENT Investments departments in order for them to achieve their obligations and skills;
- 8- ensures legal assistance operations for the EVERGENT Investments employees during their relations with third parties, springing from the achievement of the obligations laid down in the job description, only for the protection of the interests of EVERGENT Investments.

Legal Representation:

- 1- ensures the legal representation, on the basis of a mandate, of the company's rights and legitimate interests before the judicial or arbitral courts, criminal investigation or administrative bodies, mediation or within the procedures of counseling, mediation or enforcement of civil-law notaries;
- 2- ensures legal representation before any individual, authority, or local, national, or international bodies.

Other specific administrative tasks:

- 1- ensuring record keep of the litigations and informing the company's leadership or departments with respect to litigation evolution;
- 2- ensuring contact with the attorneys, notary offices, bailiff offices, mediators, judicial or arbitral courts, Registry of Commerce offices, land registry and real estate publicity office, operators of electronic archives for real estate collaterals, prosecutors, police authorities, other investigative bodies and/or research etc;
- 3- ensuring, on request, that the acts, registration operations, and legal publicity are carried out at the Commerce Registry Office, the Land Registry and Real Estate Publicity Office, the Electronic Archive of Real Estate Collaterals, as well as drafting specific documentation for the achievement of said operations within the boundaries of the granted mandate and legal skills;
- 4- ensuring activities with the object of study of improving the legal provisions and «*lex ferenda*» proposals.

2.12. Prevention and combatting of Money Laundering and Financing Terrorism

The activity is internally procedural: the policies and procedures of prevention and combatting money laundering and financing acts of terrorism are approved by the CEO; the position of independent auditor (financial auditor or internal audit) are periodically testing the efficiency of the policies, internal norms, mechanisms, IT systems, and the ML/TF risk management procedures, including the risk evaluations and the methodology development and their updates.

The designated ML/TF individuals are assigned by the Board of Directors, abiding by the legal terms. The ML/TF compliance officer is directly accountable to the Board of Directors.

The ML/TF designated individuals – the leader who is directly responsible and the ML/TF compliance officer – are accountable for achieving the established responsibilities by the legislation that is specialized in the matter.

2.13. Overseeing the implementation of international sanctions on the capital market

The activity is processed internally; the compliance department handles the specific work procedure in implementing the express regulations of the FSA.

The procedure applies to the designated individuals for the appropriate management of the capital market international sanctions, to employees who communicate directly with the clients, as well as all EVERGENT Investments employees.

Presently, an internal committee is assigned by the Board of Directors/executive leadership, abiding by the legal conditions; the compliance department representative may also be a member of the committee, position under which they also ensure the partnership with the FSA.

The designated individuals oversee the achievement of the responsibilities established by the special legislation in the matter.

2.12. Activity: Occupational Health and Safety

Through a decision made by the CEO, an individual shall be assigned who is responsible for the activity regarding occupational health and safety, with specific attributes, in accordance with the legal provisions.

The activity regarding occupational health and safety shall be coordinated by the CEO and involves carrying out the following operations:

- 1- identifying dangers and evaluating risks for each component of the labor system, namely executor, work task, work equipment, and working environment on work posts;
- 2- drawing up the prevention and protection plan;
- 3- drafting own instructions for completing and/or implementing occupational health and safety regulations;
- 4- verifying the knowledge and implementation by all employees of the measures foreseen in the prevention and protection plan, as well as the attributes and responsibilities assigned to them in the occupational health and safety field;
- 5- drafting the training-testing program across the enterprise;
- 6- ensuring the preparation of the course of action in the case of severe and imminent danger; ensuring staff training;
- 7- records of the areas with specific and elevated risk levels and establishing the areas that require occupational health and security signaling;
- 8- informing the employer, in writing, about the deficiencies found during the controls carried out in the workplace and proposing measures of prevention and protection;

- 9- researching and communicating the events defined by the legislation with respect to occupational health and safety;
- 10- updating the warning plan, the protection and prevention plan, and the evacuation plan;
- 11- proposing measures through which proper surveillance is ensured with respect to workers' health, depending on the risks regarding occupational health and security.

2.11. Activity: Fire Prevention and Extinguishing and Physical Safety (according to the applicable incidental legislation)

Through a decision made by the CEO, an individual is assigned who shall be responsible for the activity regarding the prevention and extinguishing of fires and for physical safety, with specific attributes and according to legal provisions.

3. The Permanent Risk Management Position

EVERGENT Investments establishes and maintains the permanent risk management post that is separate and independent from other functions and activities.

Structurally and hierarchically, the Risk Management Department is accountable to the Board of Directors.

The permanent risk management post is independently conducted from a functional and hierarchical point of view compared to that of managing a portfolio and other functional departments through adopting all organizational measures of prevention against conflicts of interest, expressly stipulated in the company's internal regulations.

The permanent risk management post has the necessary authority and access to all relevant information required for the fulfillment of the attributes and responsibilities.

The individual who is assigned to the risk management position is subject to the FSA authorization and is registered in the Public Registry of the FSA. If a situation should arise in which there are several individuals assigned to the position of risk manager, there shall be detailed responsibilities established for each individual. Should one of the individuals be absent, the attributes and responsibilities will automatically be taken over by another authorized individual.

Should one of the individuals be absent, the attributes and responsibilities will automatically be taken over by another authorized individual. Should the situation arise in which the company no longer has an authorized individual acting as risk manager or in the case of their temporary unavailability, one of the company executives or another employee with adequate knowledge and professional experience shall temporarily conduct this position until the moment of its re-employment. The executive assigned to the coordination and surveillance of the risk management portfolio within EVERGENT Investments may not temporarily take over the attributes of the risk management post. The individual who is temporarily assigned to this position is FSA notified.

The department has, as main objectives, risk management and control, abiding by the high quality standards demanded by the principles of operational and investment-related risk management, drafting warning mechanisms in reaching the alert boundaries with respect to risk manifestation, handling risks by identifying, measuring, and managing them, proposing and monitoring immediate corrective measures.

The department shall draw up the risk management Policy of EVERGENT Investments, in which the risk profile is defined and which the company considers acceptable, with respect to the relevant identified risks within company activity. For the management of identified relevant risks, the Risk Management Department shall develop work procedures and methodologies.

The department is specialized and has the following attributes and responsibilities:

- a) drafting and implementing effective policies, procedures, and methodologies of risk management, as well as any of their amendments;
- b) identifying, measuring, managing, and permanent monitorization of all risks that are relevant to the EVERGENT Investments policy of investment and to which the company is or may be exposed to;
- c) ensuring that the risk profile of EVERGENT Investments that is communicated to the investors abides by the risk boundaries established in order to at least cover market, issuer, liquidity, credit and counterparty, durability, and operational risks;
- d) communicating up-to-date information to the EVERGENT Investments Board of Directors with respect to the following aspects:
 - the company's compliance with the risk profile communicated to the investors and of the established risk boundaries – quarterly;
 - the adequate nature and effectiveness of the risk management process – quarterly;
- e) proposing measures of risk prevention and reduction; tracking their implementation.
- f) the monitorization and verification of implementing all of the corrective measures of risk prevention and reduction, resulting during the process of self-evaluation of operational risks and the internal control system within the departments;
- g) the operational risk assessment tied to carrying out activities identified in the annual internal self-evaluation process of operational risks and proposing measures of reducing the identified risks and keeping them under control;
- h) evaluating the company's risk profile depending on the established risk appetite and tolerance laid down by the Board of Directors and communication in due time by the Board of Directors and executive leadership, should the case arise in which the risk profile does not comply to the approved risk boundaries or that there is a significant risk that the risk profile becomes non-compliant with these boundaries;
- i) the substantiation and proposal of risk boundaries, monitoring their compliance and notifying in due time to the leadership structure any existent or predictable

- exceedance of established risk boundaries in order to endure that rapid and adequate measures may be taken;
- j) identifying the adjacent risks of the engagement of EVERGENT Investments in new fields of activity;
 - k) granting assistance to the Board of Directors and executive leadership with respect to the risk profile identification of EVERGENT Investments;
 - l) tracking the classification of EVERGENT Investments’ asset categories within the legal prudential and internal boundaries in force;
 - m) carrying out crisis simulations;
 - n) initiating the annual internal self-evaluation of the operational risks within all EVERGENT Investments departments, ensuring assistance regarding risk identification and evaluation, and establishing the proper measures in the direction of limiting the possible consequences of these risks. The results of the self-evaluations carried out within the departments are quantified by the Risk Management Department in the “Risk Registry”, the company’s “Risk Map”, and in the “Risk Response Plan”. On the basis of exposure to the operational risk, the operational risks profile shall be carried out;
 - o) monitoring the synthetic risk indicator of the EVER share and the scenarios of prior performance;
 - p) evaluating the way in which the variable remuneration structure affects the company’s risk profile;
 - q) calculating the exposure and leverage impact with the purpose of fulfilling the obligations of institutional reports.

The process of risk management is done by going through the following stages:

1. identifying the risks – the risks are defined in the view of the company, the component elements are identified, and risk generating events are described.
2. evaluating and measuring the risks – done for each type of identified risk with the help of quantitative and qualitative measures, utilizing data bases and preestablished risk indicators.
3. monitoring the risks – evolving risk indicators shall be tracked as well as classified within the established internal and legal boundaries.
4. risk handling and control – measures are proposed to keep the risks under control, should a case arise in which boundary exceedance is detected and reported to the leadership structure.

The activities carried out consist, without being limited, of monthly assessments whenever needed, with respect to the exposures of relevant risks (market risk, exposure to issuer risk, liquidity risk, credit and counterparty risk, durability risk, operational risk) and classifying them within the undertaken risk boundaries, classifying the assets/categories of assets in the portfolio within the legal prudential boundaries, risk assessments with respect to the impact of investment/divestiture operations on the classification within the legal prudential boundaries and approved risk profile, through carrying out simulations and proposing measures that keep the undertaken risk under control, the assessment and monitorization of operational risk events reported by the

EVERGENT Investments departments.

For the attributes assigned to them, the Risk Management Department shall conduct regulated reports towards the executives and the Board of Directors. The quarterly risk reports shall abide by the approval of the Board of Directors, with prior endorsement by the Audit Committee. The reports regarding the classification of assets within the prudential boundary system and those regarding the classification within the risk boundaries are transmitted in order to inform and towards department structures that fulfill the position of portfolio management and towards the compliance department.

4. The Permanent Compliance Verification Post

EVERGENT Investments shall establish and maintain a permanent and effective position of compliance verification that is independent.

Structurally and hierarchically, the Compliance Department is accountable to the Board of Directors.

The individual occupying the position of compliance officer is subject to FSA authorization and is entered into the FSA's public Registry.

In a situation in which the company submits several individuals with compliance attributes towards authorization, the authorization request shall be accompanied by the detailed responsibilities of each individual falling within the Compliance Department.

In a situation in which one of the individuals with internal control attributes is absent, their responsibilities and tasks shall automatically be taken over by another authorized individual.

In a situation in which EVERGENT Investments no longer has an authorized individual occupying the position of compliance officer or in case of their temporary unavailability, one of the members of the company's Compliance Department, if available, one of the company executives or another employee with the adequate knowledge and professional experience, in the case in which the department is comprised of a single member, shall temporarily take over the attributes of the absent individual, for a period of maximum 3 months of a calendar year.

To allow the individual/s assigned to the position of compliance officer to bring their responsibilities to fruition correctly and independently, EVERGENT Investments must make sure that the following conditions are abided by:

- a) the individual/s that has/have the authority, resources, and experience necessary, as well as access to all relevant information;
- b) the individuals that carry out the position of compliance verification are not involved in service provision or in carrying out the activities that they monitor;
- c) the individual/s carry the responsibility of abiding by the attributes adjacent to the compliance post and for any report referring to abiding by the regulations in force, in which it will especially be specified if adequate measures have been taken in order to remedy eventual deficiencies;
- d) when establishing the remuneration of the individuals, it must be kept in mind that: the level of compensation must allow EVERGENT Investments to hire

qualified and experienced personnel; the individuals' objectivity must not be affected by the method of determining compensation; the variable remuneration must be based on objectives specific to the position and must not be established exclusively on the basis of performance criteria at AIFM level; the remuneration is directly supervised by the nomination-remuneration committee;

- e) the individuals shall be evaluated for carrying out and maintaining the requirements regarding ability and professional experience throughout the entire activity conduct; integrity and good reputation and governance according to the incidental legal provisions.

Attributes and responsibilities:

- a) monitoring and periodically evaluating the adequate nature and effectiveness of the measures, policies, and procedures established in compliance with the regulations in force, as well as the activities carried out in order to rectify the shortcomings in terms of the company complying to the obligations incumbent upon it;
- b) regularly monitoring and verifying the implementation of the legal provisions incidental to the activity of EVERGENT Investments, of internal regulations and procedures and acting according to their abilities to prevent and propose measures towards rectifying any situation of law infringement, regulations in force incidental to the capital market or the regulations and internal procedures of EVERGENT Investments by EVERGENT Investments or by the company's employees; tracking the implementation of proposals and recommendations;
- c) counseling and assisting the relevant individuals that are responsible for carrying out the activities necessary for EVERGENT Investments to abide by its assigned obligations on the basis of the legislation incidental to the capital market;
- d) ensure that the reports which EVERGENT Investments must send to the FSA and to the capital market entities are transmitted within the legal term foreseen by the regulations in force;
- e) analyze and endorse the documents transmitted by EVERGENT Investments towards the FSA in order to obtain the authorizations foreseen by FSA regulations;
- f) analyze and endorse the informative/promotional materials of EVERGENT Investments;
- g) analyze and endorse the documents drafted by EVERGENT Investments with respect to abiding by the minimal content of the internal documents and complying with the regulation framework of forming the internal decision;
- h) endorse the development of new strategies, investment-related policies, relevant organizational changes as well as investing on new markets and in new products;
- i) verify compliance with the prudential regulations;
- j) ensure that EVERGENT Investments and its employees are informed with respect to the legal regime that is applicable to the capital market, regarding the approved norms and the legislative projects of interest for the company's field of activity, for the formulation of proposals, recommendations or observations, should the case arise;

- k) are responsible for the supervision of the resolution and management of petitions referring to the EVERGENT Investments field of activity on the capital market, of keeping a unique petition registry, and periodically reporting about registered petitions to the FSA.

By decision of the CEO, a committee of a permanent nature is formed within the company which assesses all of the shareholders' petitions and propose, should the case arise, a set of measures to be adopted by the leadership for the rectification of the notified situations; communication of the response to the petitioner is done with classification within the legal term.

- l) create a process of identification, registering, monitoring, prevention, and disclosure of any conflicts of interest; manage the internal procedure regarding *the Conflict of interest*.

Conducting permanent and periodical control:

1. Drawing up the Program/Plan of Annual Investigations, abiding by the following principles/criteria:
 - (a) encompass objectives of control according to applicable legal regulations and constitute a part of the integrated control process within EVERGENT Investments (compliance, internal audit, and risk management);
 - (b) is drafted on the basis of risk assessment that the EVERGENT Investments fields of activity may induce, given “The Registry of Identified Operational Risks that May Affect the Activity of EVERGENT Investments”, drawn up by the Risk Management Department;
 - (c) the activities being carried out with respect to the company’s compliance verification activity, with the legal regulations in force, the EVERGENT Investments policy and procedures are periodical and permanent control activities;
 - (d) the main component of the activity is constituted by permanent control of a pro-active nature, exercised through the continuous supervision and monitorization of the activities within the internal control field, to prevent the occurrence of legal and internal noncompliance situations.
2. Conducting investigations and reports towards the leadership structure:
 - (a) present a report regarding the results of the investigations contained in the investigation plan towards EVERGENT Investments’ Board of Directors for debate and approval; the report shall be previously endorsed by the Audit Committee;
 - (b) report any infringements of the legal regime applicable to the capital market to the Board of Directors, of internal regulations and working procedures under the required legal terms, in order to urgently notify the FSA and to communicate the adopted measures to remedy the identified situations.
 - (c) regularly draft, at least once per year, reports towards executive leadership on matters of compliance, in which they must especially specify if adequate measures have been taken in order to remedy any eventual deficiencies.

- (d) the annual report and the investigation plan for the following year, approved by the Board of Directors, shall be transmitted to the FSA, should the legislation stipulate it.

5. The Permanent Internal Audit Post

EVERGENT Investments shall establish and maintain the permanent internal audit post, which is separate and independent of any other positions and fields of activity of EVERGENT Investments.

The Internal Audit Department is accountable to the Board of Directors.

With the purpose of steering the activity, the Internal Audit Department shall develop policies and procedures that are aligned to the requirements of the International Standards for the professional practice of the internal audit.

Attributes and responsibilities:

- a) help the company, both as a whole and structurally, by means of opinions and recommendations;
- b) assist the company in managing risks;
- c) contribute to the improvement of risk management processes, control, and governance;
- d) evaluate the adequacy and effectiveness of controls regarding governance, operations, and the EVERGENT Investments systems;
- e) draft and implement the policies and procedures in order to exercise the internal audit activity, as well as any modifications brought to them;
- f) carry out risk evaluations of activities conducted by EVERGENT Investments at least annually;
- g) establish, implement, and maintain an audit plan in order to examine and assess the adequate nature and effectiveness of the systems, internal control mechanisms, and procedures within EVERGENT Investments;
- h) communicate to the Audit Committee and the Board of Directors the plan regarding the internal audit plan and necessary resources, including significant intermediary modifications;
- i) conduct the missions included in the annual plan;
- j) issue recommendations based on the result of the activity being carried out;
- k) at the request of the Audit Committee, the Board of Directors or executives carry out impromptu missions or missions of exceptional character (not included in the annual internal audit plan);
- l) verify compliance with the recommendations;
- m) report at the end of each mission with respect to internal audit issues and to the sustainability of the adopted measures in order to remedy any potential deficiencies;
- n) record any relevant information that supports the results and conclusions of the commitment;
- o) coordinate their activity with the financial assessor in order to ensure the proper achievement of the audit objectives and to minimize the overlap;
- p) periodically report to the Audit Committee and the Board of Directors on the purpose of audit activity, authority, responsibility, and the functioning of the internal audit activity in relation to the established plan;

- q) verify if management has accepted a level of residual risk that may be unacceptable to EVERGENT Investments and communicate to the Board of Directors the situations in which no decision has been made with respect to residual risk regarding their settlement;
- r) carry out formalized counseling missions (included in the Internal Audit Plan), informal, exceptional, or in emergency situations, at the express request of the Board of Directors or executive leadership.

The Internal Audit conducts assurance and counseling assignments.

The assurance assignments shall provide an independent evaluation of the governance processes, risk management, and control within EVERGENT Investments. The assurance assignments shall be carried out by crossing the following stages: planning the internal audit activity, preparing the internal audit assignment, on the spot intervention, the internal audit report, following the recommendations and quality assessment.

The activity shall be thus conducted:

1. **planning the internal audit activity:** drafting, endorsing, and approving the multiannual internal audit plan and the annual internal audit plan, in compliance with the requirements of the International Standards for the professional practice of the internal audit and with the national regulations.
2. **preparing the internal audit assignment:**
 - informing the leader of the activity that shall be assessed with respect to launching the internal audit assignment;
 - collecting and processing the information regarding the structure, activity, program/project or audited operations in order to facilitate the achievement of the procedures regarding risk assessment and those regarding verification;
 - identifying and analyzing specific risks and internal control evaluation within the process/activity/audited structure so that the audit endeavor is oriented towards the areas with the most risk;
 - drafting the audit assignment program in order to ensure that the internal audit assignment is conducted under good conditions in order to cover every auditable objective and risk associated to them;
 - meeting with the representatives of the audited structures in order to present to the members of the internal audit team the purpose of the assignment, the established objectives in order to achieve the internal audit assignment and working arrangements, as well as establishing the meetings schedule.
3. **on the spot intervention:**
 - collecting the audit evidence with the purpose of forming an opinion by the audit team on the strong and weak points of the audited organizational process/activity/structure and the supply of audit evidence on the basis of which they shall submit their observations, recommendations, and the general conclusion of the audit assignment;
 - detecting and reporting the found irregularities.
4. **drafting the internal audit report:**
 - drawing up the internal audit project report, sending the internal audit project report to the audited structure with the purpose of assessment and

- formulating their point of view with respect to the auditors' findings and recommendations;
- assessment of the observations formulated by the audited structure regarding the project of the internal audit report;
 - analyzing, endorsing, and approving the internal audit report and the plan of action for implementing the recommendations.
5. **following the recommendations:** ensuring that the recommendations that were formulated following the internal audit assignments are adequately implemented and on their established due terms and evaluating the consequences, should the case arise that they have not been implemented.
6. **internal audit activity quality assessment:** with the purpose of being offered with a reasonable assurance that internal audit shall abide by its Charta, functions in an effective and efficient manner and contributes to the creation of plus value and improvement of company operations and to ensure that, within the framework of the internal audit assignments, all of their objectives have been met under quality conditions.

The counseling assignments are consultative and associated activities carrying out the role of adding value and improving the governance process, risk management, and control of EVERGENT Investments, without internal auditors taking the responsibility of leadership.

The counseling assignments may be:

- 1) **formal counseling assignments** – are usually included in the annual internal audit plan, and the terms and conditions are convened upon with the applicant. Procedurally, these assignments are usually conducted as the assurance assignment;
- 2) **informal counseling assignments** – are activities and services of the following types:
 - participating in interdepartmental task forces, committees, or other bodies of this nature, with temporary activity, participating in projects (for the duration of the project's life cycle) or during sessions and impromptu work meetings;
 - supplying enabling services and training in the internal control and risk management domain;
 - usual exchanges of specific information with other organizational structures within the company, group, industry etc;
- 3) **special counseling assignments** – are special services fulfilled by internal audit within institutional scale projects (e.g. consulting in order to outsource operations or prior to organizational process restructuring, participating in expert teams, constitutes for the conversion of operational systems etc).

In certain circumstances, based the cost-benefit assessment, the internal audit may decide on carrying out mixed audit assignments that incorporate elements from both the assurance assignment and the counseling assignment through a strengthened unitary approach. Likewise, the internal audit may appreciate as adequate the carrying

out of assignments in which the distinction shall be made between the “assurance” component and the “counseling” one.

6. The Bucharest Representative Office

The Bucharest Representative Office, situated in Bucharest, Poligrafiei Boulevard, no. 1A, district 1, has been founded by decision of the Board of Directors, in compliance with the powers established through the Memorandum of Association. The representative office is a secondary location, without legal status, registered within the Commerce Registry of the Company's headquarters in Bacau.

The representative office ensures the location necessary to carry out the company's specific activities without having its own distinct field of activity, and as such cannot be defined as an organizational structure within the company's organizational chart.

Within the representative office, any of the company's employees may conduct their activity, with the approval of the company's leadership, and abiding by the following ground rules:

- (a) the employees are hierarchically accountable to the department coordinator in which they conduct their activity, according to the organizational chart;
- (b) the department coordinators are responsible for the entire activity being carried out within the department, regardless of where the staff carry out their activity;
- (c) all of the activities being carried out are achieved through properly abiding by the present procedure regarding the organizational structure, of internal work procedures, and decisional flow;
- (d) all documents shall be registered and physically and/or electronically archived at the company's headquarters according to the "Managing information and documentation" and "Document archival" procedures;
- (e) employees may connect to the integrated IT system under the same security conditions as the main headquarters employees, as well as the company's IT infrastructure, through accessing the network only by means of secure VPN connections, with ensuring and abiding by the security policies.

CHAPTER 3

ACCOUNTING PROCEDURES

THE ACCOUNTING PROCEDURES AND POLICIES MANUAL

The accounting policies represent the principles, groundwork, conventions, rules, and specific practices implemented by EVERGENT Investments during the drafting and presentation of the financial statements.

In drafting the accounting policies, the basic concepts of accounting have been abided by, especially: commitment accounting, the principle of activity continuity, but the other principles as well, which govern over the accounting functionality.

The accounting policies have been drawn up so that supply may be ensures, through the financial statements, of information that is:

- (a) relevant to the needs of the users in making decisions and
- (b) credible in the sense that:

- they faithfully represent the results and financial position of the legal entity;
- are neutral, meaning they take no sides;
- are cautious;
- are complete under all significant aspects;
- reflect the economic substance of events and transactions and not only their legal form.

1. Approving the accounting policies

According to the legal provisions (article 142 of Law 31/1990) and statutory (article 7, paragraph 19, item b), the Board of Directors has the ability to approve accounting policies (core competence that may not be assigned to the executives).

2. The responsibility over the accounting policies manual

The main responsibility with respect to the structure and content of the manual is assigned to the CFO/Chief Accountant who shall then coordinate any update to the manual so that it may reflect the procedures, titles, revised notions.

3. The contents of the accounting policies manual

The accounting policies manual presents the aspects and general principles implemented by the company within the daily activity.

The manual contains accounting monographs in compliance with the regulations in force and an annex that includes the verification list for the presentation requirements adjacent to every IFRS standard. Likewise, the manual contains specific aspects regarding the company's holdings portfolio:

- ✓ presenting the EVERGENT Investments holdings portfolio from the perspective of the owned instruments: financial assets evaluated at just value through other elements of the global result (FVTOCI), financial assets evaluated at just value through profit or loss (FVTPL), financial assets at a cushioned cost;

- ✓ the share holdings are presented withing the acting manual of an existent active market, as such: shares listed with an active market, shares listed on an inactive market, unlisted shares;
- ✓ within the manual it shall be specified the frequency and way in which the company determines the active market status for the markets in which the owned instruments are being transacted;
- ✓ specific criteria shall be presented that are considered by the company in determining the expected credit losses for the financial assets at a cushioned cost.

4. The area of applicability of the accounting policies

The accounting policies contain rules of recognition, evaluation, and presentation within the financial statements of the elements from the Financial Position Status, the Global Result Status, cash flow status, own capital amendments Status, and from the Notes on the financial statements of EVERGENT Investments. The accounting policies must be implemented together with the legislation that regulates the company's specific field of activity, the accounting legislation, and the general national legislation. The amendment to the existent regulations at the date of drawing up the accounting policies may determine the amendment of the accounting policies.

5. Significant accounting policies

(a) Assets and financial debt

(i) Classification of financial assets

IFRS9 "Financial instruments" stipulates an approach regarding the classification and evaluation of the financial assets that reflect the business model under which the financial assets and the cash flow characteristics are managed.

The business model may be:

- To collect the contractual cash flows:

The financial assets that are owned within this business model are managed in order to obtain cash flows by collecting contractual payments during the instrument's life span. This means that the company manages the owned assets in the portfolio to collect the contractual cash flows (instead of managing the general cost effectiveness of the portfolio, both through owning and selling assets).

The assets classified in this category are not necessarily kept until their maturity, "rare frequency" sales are possible, when the risk profile of the respective instruments has increased and no longer corresponds with the company's investment policy. An increase in sales frequency during a particular period is not necessarily contrary to this business model if the company can explain the reasons that have lead to these sales and may demonstrate that the sales do not reflect an amendment to the current business model.

- To collect the contractual and sales cash flows:

The financial assets that are owned within this business model shall be managed both for collecting contractual cash flows and for the sale of financial assets.

Compared to a business model with the objective of owning financial assets to collect contractual cash flows, this business model shall involve, normally, a higher frequency and a bigger increase in sales because financial asset sale is a part of fulfilling the objective of the business model instead of only being related to this objective.

- Other business models:

Other business models include the maximization of cash flows through sale, transaction, asset management based on just value, financial instruments bought in order to sell or make a transaction and that are assessed at a just value through profit or loss.

The management of this portfolio is done based on the market value evolution of the concerned assets and includes frequent sales and purchases for the purpose of profit maximization.

Analysis of the cash flow characteristics (SPPI test)

The SPPI test represents the analysis of the contractual terms of the financial assets in order to identify if the cash flows exclusively represent payments from the primary and the interest-rate adjacent to the owed primary.

IFRS9 includes three main categories of financial asset classification: evaluated at a cushioned cost, assessed at their just value through other elements of the overall result, and assessed at their just value through profit or loss.

- ***Financial assets evaluated at a cushioned cost***

After the initial recognition, a financial asset is classified as being evaluated at a cushioned cost, only if the following two conditions are simultaneously achieved:

- the asset is owned within a business model with the objective of keeping the financial assets in order to change the contractual cash flows;
- the contractual terms of the financial asset make way, at specified dates, for cash flows that exclusively represent primary and interest payments.

- ***Financial assets designated at just value through other elements of the overall result („FVTOCI”)***

After the initial recognition, a financial asset (debt instrument) is classified as being assessed at just value through other elements of the comprehensive result, only if the following two conditions are simultaneously achieved:

- the asset is owned within a business model with the objective to keep the financial assets both to charge for contractual cash flows and for their sale;
- the contractual terms of the financial asset make way, at specified dates, for cash flows that exclusively represent primary and interest payments.

In addition, at the initial recognition of an instrument investment of own capitals that is not owned for transaction, the company may choose to irrevocably present subsequent amendments to the just value in other elements of the overall result.

The company has used the irrevocable option to designate these own capital instruments at their just value through other elements of the overall result since these financial assets are owned for both dividend collection and for earnings from their sale, not for the transaction.

The adjacent earnings or losses of a capital instrument assessed at just value through other elements of the overall result must be recognized in other elements of the overall result, apart from the dividend revenue.

- ***Financial assets assessed at just value through profit or loss („FVTPL”):***

All financial assets that are not classified as being assessed at the cushioned cost or just value through other elements of the overall result, as it is previously described, shall be assessed at just value through profit or loss.

In addition, at the initial recognition, the company may designate as a financial asset irrevocably, that furthermore meets the requirements to be assessed at a cushioned cost or just value through profit or loss, should this eliminate or significantly reduce an accounting mismatch that would appear should they proceed by other means.

The financial assets that do not meet the criteria regarding the collection of cash flows (SPPI test) must be assessed at a mandatory level, at just value through profit or loss. The incorporated derived instruments are no longer separated from the host financial assets, but are evaluated with the non-derivative financial instrument in terms of respecting the conditions of collecting the cash flows.

Following the adoption of IFRS9, financial assets acting as capital instruments that the company has not opted to classify as financial assets that are assessed at just value through other elements of the overall result and that have not been owned to make the transaction, have been classified at just value through profit or loss.

The owned assets with respect to the transaction shall be assessed at just value through profit or loss. An asset is owned in order to make the transaction if it cumulatively achieves the following conditions:

- Is owned for the purpose of sale and buy-back in the near future;
- At the initial recognition, it is a part of an identified financial instruments portfolio, that are managed together and for which there is evidence of a real, recent pattern of tracking the profile short term; or
- Is a derivative instrument (except for a derivative instrument that is a financial warranty contract or a designated and effective cover instrument against risks).

In the case of financial assets at just value through profit or loss, amendments of the just value are registered, in the case of the overall result, in profit or loss.

(ii) The classification of financial debt

Financial debts are classified subsequently to the initial recognition at a cushioned cost, except for the situations in which they are assessed at just value through profit or loss (owned financial debts regarding transaction that are assigned in the initial acknowledgement or later at just value through profit or loss, according to the specific IFRS9 provisions, including the financial debts adjacent to the derivatives). The incorporated derivatives are separated by the host contract in the case of financial debt.

(iii) The initial acknowledgement

Assets and debts are acknowledged at the date at which the company becomes a part of the instrument's contractual provisions (the date of the transaction).

Assets and financial debts shall be evaluated at the moment of the initial acknowledgement, at just value.

(iv) Compensation

Assets and financial debts are compensated, and the net result is presented in the status of the financial position only when a legal right of compensation exists and if the intention for their settlement on a net basis exists or if the Company intends the asset achievement and the debt extinction simultaneously.

The revenues and expenses are net presented only when allowed by accounting standards or for the profit and loss that have resulted from a similar group of transactions like those in the transaction activity of the company.

(v) Assessment at cushioned cost

The cushioned cost of an asset or financial debt represents the value at which the financial asset or debt are evaluated at the initial acknowledgement, minus the primary refunds, plus or minus the cumulated depreciation using the method of the effective interest-rate of any difference between the initial value and maturity value, less so in the case of financial assets, discounts adjacent to the expected risk credit losses.

(vi) Assessment at just value

The just value is the price that would be received following the sale of an asset or the price that would be paid in order to transfer a debt through a regular transaction between the market participants at the date of the evaluation (e.g. an exit price).

Determining the just value of assets and financial debts is done based on the quotations on an active market. A financial instrument has an active market if there are listed prices available quickly and regularly for that instrument, and these prices reflect market transactions made regularly under objective market conditions.

The just value assessment for the instruments transacted on an active market shall be made by multiplying the number of owned shares at the closing price of the last day of transaction from the corresponding period in the report.

Should a financial asset be listed on several active markets, the company shall use the main market quotation on which the asset is transacted on, or in the case of main market absence, the most advantageous quotation on the market, with consideration for all barriers/costs associated with the access to each of the markets.

For all other financial instruments, the just value shall be determined by using evaluation techniques. These include techniques based on updated net value, updated cash flow method, the comparison to similar instruments method for which an observable market price exists, and other methods of evaluation.

(vii) Identifying and assessing the value depreciation

Financial assets measured at cushioned cost

The Company recognizes the expected credit losses for the financial assets at a cushioned cost, according to the IFRS9 provisions.

In this sense, these instruments are classified as stage 1, stage 2, or stage 3 depending on the relative or absolute credit risks, compared to the moment of the initial acknowledgement. As such:

Stage 1: includes (i) newly recognized exposures; (ii) exposures for which the credit risk has not significantly deteriorated from the initial acknowledgement; (iii) the reduced risk credit exposures (exemptions of reduced risk credit).

Stage 2: includes exposures that, although advanced, have recorded a significant deterioration of risk credit from the initial acknowledgement.

Stage 3: includes depreciated credit exposures.

The expected loss of credit represents the difference between all contractual cash flows that are owed to the Company and all cash flows that the Company is set to receive, updated at the initial effective interest-rate.

For the exposures from stage 1, the expected loss of credit is equal to the expected loss calculated for a period of up to a year. For the exposures from stages 2 and 3, the expected loss is equal to the expected loss calculated for a period corresponding to the entire duration of the exposure.

The Company shall assess if the credit risk for a financial asset has significantly increased from the initial acknowledgement based on information available with no cost or unjustified effort, that are an indicator of significant increases of the credit risk from the initial acknowledgement, like significant deterioration of the financial results or the credit rating of the financial instruments' issuer or delays of over 30 days for interest payment or the primary adjacent to the financial instrument.

The Company shall use the simplified approach applicable to commercial receivables and receivables from leasing contracts that have no significant financial component. Through this approach, the Company measures the adjustment for an equal value loss with the credit losses expected during its lifetime for the receivables (e.g. eliminates the necessity of expected loss calculation for the credit risk for Stage 1, for a sum equal to the expected credit losses for 12 months and the necessity of the assessment of any significant occurrence or credit risk).

The Company has defined as “depreciated” exposures the receivables that carry out one or both criteria:

- exposures for which the Company evaluates that it is less probable that the debtor pays their obligations in full, regardless of the exposure value and the number of days for which the exposure is late;
- unpaid sums at maturity, with delays greater than 365 days.

The Company recognizes, in profit or in loss, the value of credit loss amendments expected for the entire lifetime of the financial assets, as losses or the resumption of

expected credit losses.

The losses or resumption of expected credit losses is determined as a difference between the accounting value of the financial asset and the updated value of future cash flows, using the effective interest-rate of the financial asset at the initial moment.

(viii) The derecognition

The Company derecognizes a financial asset when the rights to receive cash flows from that financial asset expire or when the Company has transferred the rights to receive the contractual cash flows adjacent to that financial asset in a transaction in which they significantly transferred all risks and benefits of the property right of the given financial asset.

Any interest in the transferred financial assets retained by the Company or created for the Company is recognized separately as an asset or duty. The company derecognizes a financial debt when the contractual obligations have ended or when the contractual obligations have been annulled or expire.

Should an entity transfer a financial asset through a transfer that meets the conditions for derecognition and keeps the right to manage the financial asset in exchange for a fee, then they must recognize either a management asset or a management debt for that management contract.

At the derecognition of a financial asset (other than the capital instruments classified at just value through other elements of the overall result) wholly, the difference between:

- its accounting value and
- the sum comprised of (i) the countervalue of a received sum (including any new obtained asset minus any new undertaken debt) and (ii) any cumulated gain or loss that was recognized in other elements of the overall result

must be acknowledged in profit or loss.

In the case of debt instruments, when the just value of the financial asset through other elements of the overall result is derecognized, the cumulated gain or loss previously recognized in other elements of the overall result is reclassified from the profit reevaluation or loss back-up as an adjustment out of reclassification (recycling in profit or loss).

In the case of capital instruments assessed at just value through other elements of the overall result, the cumulated gain or loss previously recognized in other elements of the overall result is not reclassified from the reevaluation reserve in profit or loss (e.g. not to be recycled in profit or loss), but is reclassified in the reported result.

(b) The Branches and Associated Entities

The branches are entities that are under Company control. The control exists when the Company is exposed or has rights to varying gains from its implication in the entity in which it invested and has the capacity to affect these gains through its authority over the entity it invested in. At the moment of control evaluation, the potential voting rights or exchangeables that are enforceable at the given moment are taken into account.

The associated entities are the societies in which the Company may exercise a significant

influence, but not control over the financial and operational policies.

The Company has classified, in these individual financial situations, the holdings in branches and entities associated as financial assets assessed at just value through other elements of the overall result or financial assets at just value through profit or loss, in compliance with IFRS9 “Financial Instruments”.

(c) Gain per Share / Result per Share

The Company presents the diluted gain per basic share for the ordinary shares. The gain per basic share is determined through profit division or the loss attributed to ordinary shareholders and the medium weighted number of ordinary shares with in circulation adjacent to the report period.

The diluted gain per share is determined by adjusting the profit or loss attributable to the ordinary shareholders and the medium weighted number of ordinary shares with the dilution effects generated by the potential ordinary shares.

The result per basic share and diluted (including the gain achieved from the sale of financial assets FVTOCI)

The Company presents within the financial statements, next to the Gain per basic share and diluted, an alternative method of measuring performance (unforeseen by IFRS), the Result per basic share and diluted, including not only the net profit of the period, but also the gain achieved from the sale of financial assets FVTOCI (presented in the statement of own capital amendments, on the line of “Net gain, transferred in the reported result, adjacent to the sale of own capital instruments FVTOCI”), whereas, next to net profit, the gain achieved from selling financial assets FVTOCI is considered a performance indicator for the Company and represents a potential source for the distribution of dividends towards shareholders, without reflecting the overall result of the time period.

The dividends are treated as a distribution of the net result during the period in which they were declared and approved by the GMS. The net result available for the allocation is the net result of the recorded year in the financial statements drawn up in compliance with IFRS.

CHAPTER 4

INTERNAL CONTROL MECHANISMS REGARDING THE PERSONAL TRANSACTIONS AND INVESTMENTS OF EVERGENT Investments

The Company has implemented internal control mechanisms regarding the personal transactions of employees, executives, and managers, the issue being addressed within “The policy regarding conflicts of interest and personal transactions”.

EVERGENT Investments has developed internal control mechanisms that ensure the fact that the assets managed by EVERGENT are invested in compliance with the regulations and legal provisions in force.

CHAPTER 5

**INTERNAL RULES AND PROCEDURES TO ENSURE THAT THE
SHAREHOLDERS' COMPLAINTS ARE TREATED ACCORDINGLY AND
THAT THERE ARE NO ENFORCED RESTRICTIONS FOR
SHAREHOLDERS WHEN EXERCISING THEIR RIGHTS**

1- The resolution and management of shareholders' complaints regarding the Company's activity on the capital market

The Compliance Department is responsible for supervising the resolution and management of the complaints formulated by shareholders.

With respect to the prompt and responsible management of the complaints:

- a record is kept of each complaint, as well as the measures taken to settle them;
- a committee of a permanent nature is established through a decision made by the CEO that assesses all of the shareholders' complaints and proposes, should the case arise, measures to be adopted by the Board;
- communicating the reply to the claimant is done within the bounds of the legal term.

The rules and internal procedures to ensure that the investors' complaints are treated accordingly involve the following activities and responsibilities:

1. The record and complaint resolution regarding EVERGENT Investments' activity on the capital market is managed according to the applicable legal provisions, namely: all complaints shall be registered in the unique petition registry; settling the complaints and communicating the reply to the claimant is done within the framework of the legal term; information regarding the complaint settlement procedures, including ways of alternative resolution, amicably, of the litigations foreseen by the legal provisions in force, namely through reconciliation and/or the completion of the mediation procedure, as well as the necessary contact dates in the case of soliciting information regarding the stage of petition resolution, are available on the website and are accessible to the public at the Company headquarters on a permanent basis; the situation of the registered petitions shall be periodically reported to the FSA.

The Compliance Department is responsible for settlement supervision and for managing the complaints.

2. If there are hints regarding a possible law infringement in the capital market field, the compliance department representative shall conduct the necessary investigations. If the complaint does not present relevant data to justify launching an action, this shall be communicated in writing to the claimant, with reason indication, within 30 days from the date at which the complaint has been registered.
3. When the compliance department representative, during the course of verification within the complaint resolution process, ascertains any situations involving the infringement of the legal regime applicable to the capital market and of the regulations and internal procedures, by the Company or by an employee of the Company, they shall immediately inform the Board of Directors and the executives

of EVERGENT Investments. The report regarding the investigation of the complaints will be brought to the attention of the Company's leadership within the timeline of the complaint settlement (maximum 30 days from their registration).

The procedure regarding the complaint resolution referring to the activity of EVERGENT Investments on the capital market is available to the Company's relevant staff on a permanent basis, in the dedicated module from the integrated IT system; furthermore, the relevant individuals shall be informed immediately by the Compliance Department with respect to any amendment to the procedure.

2- Rules and procedures to ensure that there are no enforced restrictions for shareholders when exercising their rights

The rules and procedures that ensure there are no enforced restrictions for shareholders when exercising their rights are included in the internal working procedures but are also publicly presented in the "Corporate Governance Code of EVERGENT Investments". They address:

- (1) *The rights of the shareholders.* The basic rights concern:
 - a. certain property registration methods over shares – *contract with the entity that keeps a record of the shareholders;*
 - b. transfer of shares – *stock and registry regulations;*
 - c. obtaining relevant and on-time information about the company:
 - the existence of efficient channels for the dissemination of the information: *webpage www.evergent.ro.*
 - the shares initiated by the FSA/Bucharest Stock Market for diversifying the means of redundancy of information regarding the issuers: *FSA website, Bucharest Stock Market website.*
 - d. the right to solicit the convening of the GMS, filling in the GMS agenda, formulating questions regarding the GMS agenda, abiding by the incidental legal provisions;
 - e. the right to participate in the GMS – the legal formalities related to the shareholders' access to the documents of the GMS are flexible, without enforcing unjustified barriers in the way of shareholders exercising their rights (*vote by representation: power of attorney; ballot form by mail*);
 - f. the right to debate and to vote during the GMS;
 - g. choosing the executives;
 - h. profit allocation;
 - i. the right to dividends;
 - j. the right to preference and asset reevaluation.
- (2) *The equitable treatment of the shareholders.* The created framework ensures the fair treatment of all shareholders.
- (3) *The role of all interested individuals (interest groups) in corporate leadership.* The created framework recognizes the rights of the interest groups established by the law and encourages the active cooperation between the companies and the interest groups with regard to creating wealth, employment, and maintaining a healthy financial undertaking.

- (4) *Presenting the information. Transparency.* The created framework ensures transparency, the opportunity and accuracy of all materials and documents regarding the company's status, including financial status, performances, heritage assets, and company leadership:
- a. Regular information: financial results and regular quarterly, semi-annual, and annual reports shall be provided at the regulated terms and in compliance with the communicated financial calendar;
 - b. Continuous information – there are published releases with respect to: convening and/or filling in the GMS agenda, the GMS decisions and those adopted by the Board of Directors based on the skills designated by the GMS, under the conditions of the law, important events – within the legal term framework.

CHAPTER 6

INTERNAL RULES AND PROCEDURES THAT ALLOW FOR THE SUBMISSION OF ORDERS REGARDING THE PROMPT AND EQUITABLE EXECUTION OF FINANCIAL INSTRUMENT TRANSACTIONS FROM THE EVERGENT Investments SA PORTFOLIO

1. EVERGENT Investments has implemented mechanisms and procedures that ensure for every portfolio transaction **adequate and sufficient registration, that allow for its reconstruction with respect to its origin, its parts, nature, momentum, as well as the location it was established in.**

EVERGENT Investments uses an integrated IT system that allows for the appropriate and on time registration of each transaction, as such:

- (1) *the orders and confirmations of stock transactions* – the information registered in the IT system is:
 - for the transaction orders: AIF name, order number from internal registry, issuer, date, and exact time of order transmission, intermediary, order type, order term, quantity, price, fee. Intermediary amendments are usually outlines on the initial transaction order: date and exact time, the transmitted amendment and availability, this being signed by the individual who transmitted it from within the specialized department;
 - for the executed transactions, based on the information included in the confirmation reports transmitted by the intermediary: issuer, transaction type, date and exact time of when the transaction has been carried out, the date of the settlement, quantity, price/share, intermediary, market, fee.
- ✓ *subscription/withdrawal forms for fund units* – information registered in the IT system, on the basis of the information included in the confirmation reports transmitted by the intermediary/fund: issuer, transaction type, date and exact time of when the transaction was made, settlement date, quantity, price, intermediary (should the case arise), market, fee.
- ✓ *the closed share sale-purchase contracts* – the information registered in the IT system is: contract number, contract type, contract date, issuer, number

of shares, contract value, interest-rate, sanction percentage, counterparty name, payment due date.

- ✓ *bond transactions*: issuer, transaction type, date and exact time of when the transaction was carried out, settlement date, quantity, price, intermediary (should the case arise), market, fee; data regarding bond coupons: interest-rate, reference date, beginning date of the coupon, finalization date of the coupon, payment term, residual nominal value.

The integrated IT system ensures an increased level of security during the electronic processing of data, as well as registered information confidentiality, according to the policy regarding information security, work procedures, and access.

The records from the IT system are stored in compliance with the back-up procedure and the documents in physical format – market transaction confirmation orders and reports, the sale-purchase contracts of closed companies, subscription bulletins for fund units – shall be archived for a period of 5 years, in compliance with the nomenclature archive.

2. EVERGENT Investments establishes and implements procedures and provisions that allow for the **quick, equitable, and prompt execution of orders**, that aim at including the execution of transaction decisions and transmitting them towards other entities of the transaction orders so they may be executed.

The responsibilities of the specialized department in executing the transactions.

It is a dedicated department, with specialized staff, whose main activity is implementing the investment/divestiture programs by using the transaction platforms or through negotiations carried out with the SSIF representatives. The responsibilities are defined clearly on hierarchical levels and on the flow of Processing transaction orders/confirmations and subscription/buyback forms for the financial instruments:

- a. *Orders of sale/purchase and subscription/buyback forms*, drawn up within the boundaries of the investment programs approved by the CEO/Management Committee/Board of Directors, are signed by the chief of the Transaction Service or their deputy and shall be transmitted for implementation, through any of the legally allowed means.
- b. *Monitorization* (depending on the technical possibilities) of the transactions being carried out and the *broker contract*, in the case of Intermediaries that do not offer transaction platforms – is done by the department employees and consists in tracking market evolution and the quotation of the targeted instruments and establishing, with the broker, the method of approaching and carrying out of the transaction operations.
- c. *Processing the confirmations* issued and transmitted by the Intermediary – signing by the chief of the Transaction Service or their deputy; registration in the *Electronic Registry of the sales/purchases record*; verifying the correspondence between the dates written down on the

sale/purchase Order and those written down in Confirmation and correction of noncompliance, should the case arise.

3. EVERGENT Investments applies adequate policies and procedures that help prevent fraudulent practices, such as prediction of market evolution or transactions made after stocks close. The procedures ensure that the portfolio is efficiently managed so that the shareholders/long term interests are not injured through the increase of transaction costs and that the shareholders should not withstand unjustified costs.

For the identification and prevention of dishonest, fraudulent, and malicious acts and practices that may affect the stability and integrity of the capital market, the employees within the Transactions Service shall notify of suspicious transactions and practices of manipulation of the identified market in carrying out the activity, to the Compliance Department and the executive leadership, for the assessment and enforced measure adoptions, including the referral to the competent authorities.

CHAPTER 7

INTERNAL RULES AND PROCEDURES REGARDING THE SAFEKEEPING OF RECORDS AND FINANCIAL INSTRUMENT TRANSACTIONS FROM THE COMPANY PORTFOLIO FOR A MINIMUM OF 5 YEARS

EVERGENT Investments features an IT system that ensures for the safekeeping of market price records for each asset in the portfolio, of the net asset value, of the net asset unitary value, underlining the calculation method of all fees, taxes, and owed rates, with keeping the history of these operations for a minimum of 5 years.

The safekeeping of market price records for each asset in the portfolio, net asset value, net asset unitary value, underlining the calculation method of all fees, taxes, and owed rates for a period of minimum 5 years is ensured in electronic and written format (paper support) according to the procedures specific to each department that manages the given activities, as well as the procedure regarding document management, archival procedure, managed within the Corporate Governance and Investor Relations Service and the back-up procedure managed within the IT Service.

The archive nomenclature has storage terms aligned to the express legal requirements in this sense.

To ensure backup activity, the Safety Copy Plan shall be drafted (backup) – approved by the CEO – which includes the contents of the save file (dates, apps etc.), saving frequency (day/week/month/year), averages on save support, locations where the saved data exists or shall be submitted.

The specific backup activity framework is established and formalized (procedures, backup plan, storing averages etc.) the necessary updates according to legal obligations and internal regulations, registry structure and those responsible for the operations.

The electronic archiving shall be done according to the backup Plan on the Disaster

Recovery server located in Bucharest, 13 Fecioarei street, district 2. In addition, each month, the information shall be saved electronically and submitted to a safety deposit box at a bank.

The activity of document and archival management.

The document management activity ensures:

- drawing up the documents specific to the activities carried out by EVERGENT Investments;
- registering the documents drafted by the company or received from third parties;
- document traceability;
- keeping/storing documents;
- archiving documents.

For the signing of the documents, EVERGENT Investments uses the following types of signatures:

- ✓ handwritten signature, on paper;
- ✓ extended electronic signature;
- ✓ electronic handwritten signature, using the Apple Pencil and tablet or other equipment with similar functions.

The registration of the EVERGENT Investments documents shall be done in a unique registry office through which the documents coming in and out of the company will be registered and the flow of internal documents, chronologically, in order of receipt and output, registered and archived in electronic format within the IT system.

The registration of the documents begins on the 1st of January and ends on the 31st of December of each year. Through the document management module, the incoming and delivered documents are registered and digitally converted, as well as those for internal use.

The archive nomenclature shall be drafted under the coordination of the Corporate Governance and Investor Relations Service, is approved by the CEO, and transmitted to the National Archives regarding their endorsement/confirmation.

The periodic and appropriate document archival shall be ensured, as well as their delivery to the company archive, according to the archival nomenclature and the provision in force.

For the archived documents with an exceeded storage period, the CEO approves the file selection drafted by the Selection Committee (named through decision), that are forwarded towards confirmation to the National Archives County Department, after confirmation by the N.A.C.D, the disposal and recovery of the expired files based on the Selection Committee's report.

CHAPTER 8

CONTROL DEVICES AND PROTECTION PROCEDURES WITHIN THE FIELD OF ELECTRONIC DATA PROCESSING AND ENSURING THE SAFETY, INTEGRITY, AND CONFIDENTIALITY OF INFORMATION

EVERGENT Investments shall draft and manage procedures and use control and protection devices in the field of electronic data processing and ensuring the safety, integrity, and confidentiality of information through the dedicated department, the IT Service.

The employees have knowledge of the legal framework in which this information is transmitted, and the obligations assigned to them, both internally and externally as such:

- internally, the ISO 27001:2013 standard is implemented – the Management of the Information Security system and the framework that ensures information management is defined by: the document circulation procedure, executive decisions, Collective Labor Contract, job descriptions;
- externally – the interdiction applied to the individuals that hold privileged information to use the given information for the acquisition or alienation, on their own or the account of a third party, directly or indirectly, of financial instruments or other assets that this information refers to.

1. Managing the integrated IT system of EVERGENT Investments

Access to the IT system is given by individualized users, based on a password, that have predefined consulting rights and/or rights of amendment depending on each employee's attributions, at an operation and module level, according to the rules and internal procedures of EVERGENT Investments.

2. The management system of information security.

EVERGENT Investments is certified by the Information Security Management System (SMSI) in compliance with the requirements of the ISO 27001:2013 standard. In compliance with the *Policy Declaration regarding information security*, EVERGENT Investments shall develop its information security management system in accordance with the ISO 27001:2013 standard for the protection of informational/ICT goods from all threats, whether they are internal or external, deliberate, or accidental: unauthorized access, modification, declassification, damage. Through this system, the shareholders are offered trust, security, stability, and the guarantee of a continuous increase in the quality of the services offered.

Responsibilities:

- a. *The CEO* – approves the Policy of Information Security and names the Management Representative for the Security of Information (RMSI).
- b. *The system manager* – provides the coordination of activities that ensure information security in compliance with the policy of information security and implemented procedures; identify the way of treating non-conformity within the SMSI function, significant changes, exposure to threats of information and the means of processing

them; estimate the degree of adequacy of the security measures of the information and coordinate their entire implementation; take care of the efficient promotion of education, training, and awareness referring to information security within the organization; evaluate all the information received from the monitoring activities and security incident assessment and recommend adequate action as a response to the underlined incidents of information security; counsel the company leadership with respect to all aspects regarding security information; inform the company executives with respect to the vulnerabilities and existent risks within the management system of information security and propose measures to remove them; the position shall be carried out by the IT Service.

- c. *Integrated IT System Manager (IITS)* - manages access and maintenance into the integrated IT system modules correlated with the working procedures in force and the specific requirements of the organizational method and data protection; the position shall be filled by the IT Service.
- d. *The department coordinators as responsible for the process* - support the identification, documentation, keep the necessary SMSI projects under control and continuously improve upon them; ensure the knowledge of SMSI documents by the subordinated staff; ensure the correlation of activities and keep the interfaces under control within the interdepartmental processes; ensure the achievement and supervision of the objectives and information security controls; ensure the reporting to RMSI;
- e. *Each employee* - respects the Security Policy, is aware of and implements the procedures regarding information security and use of the SII applicable to the position.

According to the classification category (medium risk), EVERGENT Investments is obligated to audit the IT system externally, once every 3 years.

According to legal provisions, EVERGENT Investments is registered at ANSPDCP with the number 3449 in the Registry of Personal Data Processing Evidence.

CHAPTER 9

ACTIVITY CONTINUITY PLAN

EVERGENT Investments has implemented an Activity Continuity Plan that is destined to prevent and protect any discontinuity in carrying out activities and critical processes or, should this not be possible to achieve, the on-time recovery of this data and function and restarting the services and activities within a period of maximum 4 days, according to the medium risk profile.

1. The Activity Continuity Plan

A process of *activity continuity management* is implemented within the information security management system in order to reduce the impact on the company and the turnaround following the loss of sensitive information up to an acceptable level, through a set of preventive security and recovery measures. The process is destined to prevent and protect any discontinuity in carrying out activities and critical processes against the destruction of sensitive information and ensures their resumption in the shortest amount of time possible.

The Activity Continuity Plan refers to the activities that will have taken place only in case of major disasters and emergency situations that lead to the impossibility of continuing operations as normal.

The aspects tied to information security within business continuity is based on identifying the events (or succession of events) that may determine interruptions of company activity. The Continuity Plan targets all positions and assets within the company, to ensure a minimum level of functionality after the activity interruption is produced because of a damaging event, including the activities necessary to remake the IT processes. The continuity plan takes into consideration the key operations that are most important to company survival – established through the impact analysis over the activity (BIA) – as well as the material and human resources that support them.

The Activity Continuity Plan also includes the “Recovery in case of disaster” plan that is necessary in remaking the amenities turned inoperable.

2. The continuity of IT systems.

Processing by means of IT is of strategic importance because almost all entity processes use the IT resources, thus the existence of a feature for IT processing becomes necessary and ready to be operational the moment a disaster should take place.

Remake alternative – is of a *warm site* type – placed in an external location with an IT configuration that executes the apps and supports the critical function of the business.

The recovery plan in case of disasters includes the steps that need to be taken in restoring the capabilities in the alternative site, that has the attributes of a warm-site, ensuring hardware, network, and telecommunication support in order to install/activate the existent backups, thus keeping the continuity of EVERGENT Investments.

Plan testing - the purpose of verifying the plan functionality and identifying those components that need to be improved. The plan testing shall be done at least once every two years.

Plan actualization

Every time significant amendments are made to the IT system, the continuity plan shall be carried out. The evaluation of the continuity plan shall be done half-yearly by the executive leadership and the Board.

Backup – the safety copies are done for both data and software (basic and apps). The way, support, and frequency in doing the copies is established through the specific procedure and the backup plan. The Continuity Plan copy shall be kept in the location reserved for the safekeep of the safety copies.

Responsibilities regarding the continuity plan of the activity shall be established through the specific procedure.

Claudiu DOROȘ
Chief Executive Officer

Michaela Pușcaș
Compliance Manager