



**Policies and procedures for the assessment of
individuals in the management structure and
individuals holding key positions within
EVERGENT Investments SA**



Drive for
performance

Policies and procedures for the assessment of individuals in the management structure and individuals holding key positions within EVERGENT Investments SA

The policies and procedures for the assessment of individuals in the management structure and individuals holding key positions are drafted in application of the provisions of *Regulation no. 1/2019 on the evaluation and approval of the members of the management structure and of the individuals holding key positions within the entities regulated by the Financial Supervision Authority*.

From the perspective of Regulation no. 1/2019, EVERGENT Investments is considered a **significant entity**, defined in art. 2, paragraph (2), item k.

The policies do not apply to EVERGENT Investments' subsidiaries, entities not regulated by the FSA.

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1. Reference documents

Reference documents regarding assessment procedures for the individuals in the management structure and the individuals occupying key positions:

1.1. Normative references:

- (a) Regulation no. 1/2019 amended through FSA Regulation no. 10/2020 and FSA Regulation no. 20/2021 on the assessment and approval of the members of the management structure and of the individuals holding key functions within entities regulated by the Financial Supervision Authority, hereinafter referred to as *Regulation*;
- (b) Law no. 24/2017 on the issuers of financial instruments and market operations;
- (c) Law no. 297/2004 on the capital market;
- (d) Law no. 74/2015 on the managers of alternative investment funds;
- (e) Law no. 31/1990 on companies;
- (f) The EVERGENT Investments SA Articles of Association;
- (g) The EVERGENT Investments SA Corporate Governance Code.

1.2. Related documents:

- (a) Specific provisions included in other normative documents;
- (b) Resolutions and/or Provisions (orders/orders of measures) of the management structure of EVERGENT Investments SA.

1.3. Definitions according to art. 2, paragraph (1) of the *Regulation*

- a) **adequacy** - all the qualities and attributes based on which a person is deemed to have a good reputation and which has individually and, as applicable, collectively, along with other individuals, the knowledge, skills and experience necessary to fulfill the attributions specific for the job; adequacy also covers the honesty, integrity and independent thinking of each individual and their ability to allocate sufficient time to fulfill their duties;
- b) **collective adequacy** - all the qualities and attributes of the entire management structure which are applied to the regulated entities for which the specific legislation applicable to the respective entity provides it;
- c) **independent thinking or independence of mind** - the ability of the members of the management structure to express their own opinions, to issue objective judgments and independently adopt decisions during debates;
- d) **integration** - any action or program undertaken with the purpose of preparing and establishing the individual that is to hold a certain position within the management structure in the position;
- e) **training** - any action or program undertaken with the purpose of improving the knowledge, skills and experience of the members of the management structure, on a continuous basis or for a certain purpose or in a certain circumstance;
- f) **individual holding key functions** - a person whose attributes have a significant influence on achieving the strategic objectives set by the regulated entity, which is not part of the management structure, fulfilling, within the regulated entity, according to the

legislation specific to the financial supervision sector, as applicable, one of the following tasks:

- (i) risk assessment and management (risk management);
 - (ii) compliance and/or internal control, according to the specific legislation;
 - (iii) internal audit.
- g) **assessed individual** - the individual proposed by a regulated entity to fill in a position of member within a management structure or for holding a key function;
- h) **the principle of proportionality** - follows the correlation between the complexity and detailing of policies, processes and procedures related to the adequacy of assessed individuals and the nature, size and complexity of the risks inherent to the activity carried out by the regulated entity;
- i) **management structure** – members of the Board and members of the executive management/higher management.

2. Management Structure

2.1. The management structure of EVERGENT Investments SA, as defined in compliance with art. (2), letter f) and g) of the *Regulation* is represented by:

- the Board of Directors comprised of 5 members, individuals, elected or appointed by the Ordinary General Meeting for a 4-year period, with the possibility of being reelected. The invalidation of one or more members of the Board of Directors by the competent authority leads to the individuals in question losing their director quality. The members of the Board of Directors are authorized by the FSA.
- the Management Committee is comprised of company managers. The Management Committee carries out its activity within the limits of the assigned competencies. The setup and dissolution of the Management Committee are approved with the directors' majority vote.
- the company's executive management is ensured, in compliance with the provisions of the Articles of Association and of the regulations in force, by the CEO and the Deputy CEO. By decision of the Board of Directors, an individual/s may be appointed to replace the directors.

Structura de conducere a EVERGENT Investments cuprinde un număr adecvat de membri și o componență care respectă cerințele de adecvare.

2.2. The role and obligations of the management structure:

- (a) It drafts the relevant criteria for monitoring the results of the executive management's/higher management's activity and that of the regulated entity as a whole and evaluates the way the criteria are applied on a yearly basis (Articles of Association, art. 7, paragraph (19), letter i¹);
- (b) It approves assessment policies and procedures for the assessed individuals, for the assessment of their prior and continued adequacy;
- (c) It approves the procedure regarding the management of conflict of interest at the level of the Company;
- (d) It verifies if the assessed individuals meet the requirements foreseen by the present procedure, in compliance with the applicable legal provisions;
- (e) It undertakes responsibility for the assessed individuals meeting the requirements foreseen in the hereby procedure, in compliance with the applicable legal procedures;

- (f) Immediately notifies the FSA about situations occurring following the approval/notification that cause the assessed persons to no longer meet the requirements foreseen in the hereby procedure, according to the incidental legal provisions;
- (g) nominations for the renewal of members of the management structure terms shall take place only after an analysis of the member's performance in the previous term. The management structure ensures that:
 - it identifies and selects qualified and experienced members;
 - it properly plans the succession of members in the management structure, in accordance with all legal requirements regarding the composition, appointment or succession of the management structure;
- (h) it ensures the archiving of documents that certify the fact that assessed individuals meet the requirements foreseen in the hereby procedure, at the headquarter of the company, for at least 5 years from the cessation of work/contractual relationships of the assessed individuals and that they are available for verification at the FSA's request, whenever necessary.

3. Individuals who hold key functions; assessed individuals - presentation

The key functions in EVERGENT Investments SA, defined according to art. (2), paragraph (2), letter p), item i), ii), iii) of the *Regulation* are:

- Compliance officer(s) – FSA authorized function;
- Personnel of the risk management department – FSA certified function;
- Personnel of the internal audit department – function notified to the FSA. The company shall notify the FSA on the individuals carrying out the specified key functions at least 15 working days before they start to exercise their attributions.

4. The role and obligations of the Nomination-Remuneration Committee

The Nomination-Remuneration Committee is responsible for regularly assessing the adequacy of the members of the management structure (individual and collective assessment) and key functions (individual assessment) and drafting a report to present to the management structure, presenting the results of the adequacy assessment depending on the following criteria:

- (a) Dedicated time/allocating sufficient time for the exercise of that function;
- (b) Compliance of the members of the management structure to the provisions regarding the limitation of the number of management functions foreseen by the specific legislation;
- (c) Sufficient knowledge, skills and experience to exercise the function;
- (d) Reputation, honesty and integrity;
- (e) Independent thinking.

5. Assessment Procedure

5.1. General aspects with respect to the assessment procedure

EVERGENT Investments verifies the fulfillment of legal requirements, assesses the adequacy of individuals for whom it requests approval or whom it notifies to the FSA beforehand and constantly monitors the individual adequacy of the assessed individuals.

If, following the assessment or re-assessment carried out, EVERGENT Investments ascertains that the assessed person is not suitable for the performance of the function, it will inform the assessed individual and, as applicable, the FSA and the shareholders and shall initiate the necessary steps to submit another designated individual for FSA approval.

EVERGENT Investments informs the FSA, no later than 5 working days from the ascertainment, about any significant deficiencies identified regarding any of the assessed individuals, along with the corrective measures taken or considered to remedy them and the implementation calendar.

EVERGENT Investments assesses the individual and collective adequacy of the members of the management structure, separately for the members of the Board and executive management. The collective assessment of the adequacy of members of the management structure is done using its own grid, approved by the Nomination-Remuneration Committee.

For the general meetings of shareholders that have the appointing of managers on the agenda, shareholders are presented the result of the adequate, individual and, as applicable, collective character assessment of the candidates prior to the meeting.

EVERGENT Investments pune la dispoziția acționarilor, în vederea alegerii membrilor consiliului:

- a) tangible information that presents the obligations that the Board members have within the company and regarding the adequacy requirements foreseen by the specific legislation, so that the decisions are made in full awareness and undertaken;
- b) list of candidates recruited or selected taking into consideration legal provisions.

The company has procedures for the integration and training of the members of the management structure, separate for the Board and for the executive management, both individually and collectively, for the purpose of obtaining, maintaining and improving the knowledge and skills required to fulfill the attributions of the management structure.

5.2. Assessment of the collective adequacy of the management structure

The collective adequacy of the members of the management structure is assessed separately for the Board members and for the executive management.

The members of the management structure collectively have:

- a) the skills to be able to make adequate decisions in accordance with the business plan/ business model, risk appetite, strategy and markets on which the company operates;
- b) all knowledge and skills necessary to carry out the company's activity, including a sufficient number of members with knowledge in each field, to substantiate their opinions in the decision-making process.

The members of the Board collectively have the ability to monitor and validate or challenge, as applicable, the decisions of executive management.

The management structure line-up must reflect the knowledge, skills and experience necessary to fulfill their responsibilities, including the proper understanding of areas of interest for collective responsibility and the overall vision of the company in order to effectively manage and supervise its work, taking into account the following:

- a) the field of activity, the activities carried out, the business strategy and the main risks related to them;
- b) financial analysis, capital adequacy requirements and reports specific to the company's activity;
- c) the governance system including managerial skills and key functions related to risk management, compliance and internal audit;
- d) security of data and information systems;;
- e) group governance and risk management related to the group structure;
- f) the legal framework applicable to the regulated entity.

On the collective assessment of the management structure, the results of the individual assessment of each member and the adequacy of the entire group are taken into consideration. The weak points identified in the general line-up of the management structure do not necessarily lead to the conclusion that a certain member is not individually adequate.

The results of adequacy assessments, including collective adequacy assessment, are submitted to the FSA, along with the documentation and information foreseen in art. 30 of the *Regulation*, as follows:

- a) for all members of the Board approved by the General Meeting of Shareholders, irrespective of the result of the assessment made by the company;
- b) for individuals appointed to executive management who have been validated by the Board.

5.3. Individual assessment of the management structure members

EVERGENT Investments is responsible for the initial assessment and continued monitoring of the individual adequacy of the assessed individuals, in which management structure is required to prove their adequacy by presenting at least the documents requested by the FSA for adequacy assessment, in agreement with the provisions of Section 2 of the *Regulation*.

În procesul de evaluare individuală a unui membru al structurii de conducere, EVERGENT Investments SA:

- a) analyzes the information on adequacy through different ways, channels and tools, without being limited to diplomas and certificates, letters of recommendation, curriculum vitae, interviews, questionnaires etc.;
- b) analizează informațiile referitoare la reputație, integritate și onestitate, inclusiv cu privire la existența unor motive rezonabile documentate pentru a suspecta că a fost sau este săvârșită o operațiune sau o tentativă de SB/FT sau că există un risc sporit de SB/FT asociat persoanei evaluate;
- c) assesses independent thinking;
- d) requests that the assessed individual prove the accuracy of the information presented, if necessary;
- e) requests that the assessed individual declare any current or potential conflict of interest;
- f) validates, to the extent possible, the accuracy of the information presented by the assessed individual;
- g) establishes the results of the assessment within the Board or, if applicable, within the Nomination-Remuneration Committee.

If a situation is identified that raises concerns regarding the eligibility of a member, including the existence of reasonable documented motives to suspect that an operation or attempt at money laundering and financing terrorism was or is being committed or the existence of an increased risk of ML/FT, it shall be assessed if that situation has an impact on the adequacy of the assessed individual and, if necessary, the useful corrective measures are established to ensure the individual adequacy of the management structure members.

EVERGENT Investments documents the description of the function for which the assessment is made, its role within the entity and presents the results of the adequacy assessment according to the following criteria:

- (a) dedicated time/allocating sufficient time to exercise that particular function;
- (b) compliance of management structure members with the provisions regarding the limitation of management functions foreseen by the specific legislation;
- (c) sufficient knowledge, skills and experience to exercise the function;
- (d) reputation, honesty and integrity;
- (e) independent thinking.

5.4. Monitoring and re-assessing the management structure

Continuous monitoring of the individual and collective adequacy of the management structure members mainly tracks if a member of the entire management structure remains adequate, taking into consideration individual or collective performances and the situation or event that determines the necessity of a reassessment, as well as the impact that this situation has on the fulfillment of the adequacy requirements.

The process of individual or collective reassessment of the management structure members takes into account the following aspects, without being limited to them:

- a) efficiency of the management structure, with reference to the work process, information flow and reporting lines to the management structure, taking into consideration the reports and recommendations submitted by the representatives who fulfill the compliance and internal audit functions;
- b) the effective and prudent management of the entity, including the good faith of the management structure in the activities carried out in the interest of the company, including with respect to the prevention and combating of money laundering and financing terrorism;
- c) the ability of the management structure to focus on aspects of strategic importance;
- d) the frequency of meetings, dedicated time, as well as the degree of participation and involvement of members during meetings;
- e) any change in the composition of the management structure and any deficiencies in its individual and collective adequacy, taking into account EVERGENT Investments' business model, the risk strategy and its amendments;
- f) the performance objectives established for the regulated entity, but also for the management structure;
- g) independent thinking of the members of the management structure, abiding by the principle of independence and compliance of the members with the policy on conflicts of interest;
- h) the extent to which the members of the management structure have met the objectives established in the diversity policy, in compliance with art. 9 of the Regulation, where applicable;
- i) the extent to which the management structure members, through their activity and decisions, have demonstrated a good understanding of money laundering and financing terrorism risks and the way in which they affect the company's activity, as well as if they adequately managed these risks, including by taking corrective measures, if necessary;
- j) sensible documented reasons to suspect that an operation or attempt at money laundering and financing terrorism was or is being committed or the existence of an increased risk of committing them, including as a result of the ascertainment of internal and external auditors or other competent authorities where the adequacy of systems and procedures in the area of money laundering and financing terrorism is concerned;

- k) any events that may have a significant impact on the individual or collective adequacy of the management structure members, including amendments to the business model, strategies and way of organization;
- l) if there is an increased risk of money laundering and financing terrorism connected to EVERGENT Investments, especially if the information available to the FSA indicates that EVERGENT Investments:
 - (i) has not implemented an internal control system or adequate surveillance mechanisms to monitor and mitigate money laundering and financing terrorism risks;
 - (ii) breach the obligations of preventing and combating money laundering and financing terrorism in Romania, in the host member state or in a third party country;
 - (iii) has significantly amended its business plan/model in a manner indicating that its exposure to the money laundering and financing terrorism risk has significantly increased.

EVERGENT Investments continuously monitors the adequacy of the assessed individuals to identify, in the context of any new and relevant data, the situations in which an adequacy reassessment must be carried out and reassesses the management structure at least once per year.

The conclusions of the reassessment reports, reasons for reassessment, as well as any other information, recommendations and vulnerabilities identified are substantiated and submitted to the management structure. EVERGENT Investments informs the FSA without delay, no later than 5 working days from the ascertainment, if, following the reassessment, it ascertains that a member is not adequate or if it ascertains that the management structure is not collectively adequate, including with respect to the measures suggested or taken to remedy this situation.

5.5. Assessing the adequacy of key functions

EVERGENT Investments carries out an adequacy assessment for individuals holding key functions before their naming. The assessment result is presented to the individuals appointed in key functions and management structure and is attached to the notification or approval request submitted to the FSA.

EVERGENT Investments va adopta măsuri adecvate pentru înlocuirea persoanei evaluate de A.S.F. ca fiind necorespunzătoare pentru exercitarea funcției cheie și asigură, până la numirea altei persoane, continuitatea exercitării funcției respective de către un membru al conducerii executive sau de către o altă persoană desemnată în conformitate cu legislația specifică.

5.6. Conditions that must be met by individuals in the management structure and individuals holding key functions

The management structure members of EVERGENT Investments shall cumulatively meet the minimum requirements regarding integrity, qualification and professional experience foreseen by the legal regulations and resolutions, as well as:

- (a) they are graduates of a Bachelor or diploma examination from a high education institution;
- (b) they meet the general requirements foreseen by Law no. 31/1990 on companies, republished, with its later amendments and additions;
- (c) have the theoretical knowledge, skills and practical and professional experience that is relevant and adequate for the nature, extent and complexity of EVERGENT Investments' activity and the assigned responsibilities.

Board members should have relevant experience of at least 3 years to exercise their attributions, unless the law states otherwise.

The individuals who ensure executive management must meet the following requirements:

- (a) they are graduates of a Bachelor or diploma examination from a higher education institution;
- (b) individually have an experience of at least 3 years in management positions, as well as practical and professional experience in the financial-banking field or relevant specialized fields, in accordance with the nature of the activity carried out by entities, of at least 5 years, unless the law provides otherwise. By way of exception, depending on the nature and complexity of the entity concerned, the individuals' experience in management positions may be less than 3 years, but may not be less than 1 year (art. 11, paragraphs (6) and (7) of the Regulation);
- (c) meet the general conditions foreseen by Law no. 31/1990 on companies.

Individuals holding key functions must meet the following conditions

- (a) they have relevant experience for the attributions they are to fulfill, of at least 3 years;
- (b) they have participated in training courses or have passed the test of knowledge of the legislation in force specific to the field of activity of the financial supervision sector, organized by the providers of training programs operating in the three financial markets under the supervision of the FSA, as applicable, unless the law states otherwise.

All individuals in the management structure and individuals occupying key positions within EVERGENT Investments should meet and maintain, for the entire duration of their activity, the requirements foreseen in the *Regulation* regarding:

- a) knowledge, skills and professional experience;
- b) reputation, honesty and integrity;
- c) governance.

EVERGENT Investments shall check and re-check that the assessed individuals meet the requirements of individual adequacy if:

- a) any changes have occurred within the management structure:
 - appointment of new members in the management structure;
 - appointing an individual who was previously approved by the FSA for a new Board mandate, namely in executive management or higher management of EVERGENT Investments;
 - appointing individuals in a different capacity than the one previously assessed, if the position requirements have changed;
- b) if the risk profile and business plan are significantly amended;
- c) if new individuals are appointed to exercise key functions;
- d) within the process of monitoring and continued surveillance or requests formulated by the FSA.

5.7. The assessment of knowledge, ability and sufficient experience to exercise the function takes into consideration the following aspects:

- a) the role and attributions of the targeted function and the necessary ability to exercise it;
- b) the theoretical knowledge and competencies obtained based on them, practice and professional training;
- c) practical and professional experience gained in previously occupied positions;
- d) knowledge and skills acquired and proven through professional conduct as a member of a management structure or in the exercise of other functions, as applicable.

When the practical and professional experience gained from previously held positions by members of the management staff is assessed, the following aspects are mainly taken into consideration:

- a) nature of the management function held and its hierarchic level;
- b) how long the function was held;
- c) the nature and complexity of the activity, including information on the organizational structure of the entity they previously worked at;
- d) area of competence, decisional competence and responsibilities of the individual;
- e) technical knowledge acquired in their previous positions;
- f) number of individuals under their subordination.

5.8. Assessing the requirement with respect to good reputation, honesty and integrity takes into consideration:

- 1. if there are no objective and provable reasons to indicate the contrary
- 2. if there is information regarding the existence of one of the following situations, without being limited to them:
 - a) conviction or criminal investigation in cases regarding:
 - crimes foreseen by the financial-banking legislation, crimes foreseen by money laundering and the financing of terrorism legislation, market manipulation, abusive use of confidential information or crimes related to corruption;
 - crimes against the patrimony or other crimes specific for the economic/financial field;

- crimes foreseen by tax legislation that were committed directly or indirectly, including through illegal schemes or forbidden by dividend arbitration;
 - other crimes foreseen by company legislation, bankruptcy, insolvency, as well as consumer protection law;
- b) previous or current measures or sanctions taken by any regulation authority or professional body for the failure to abide by any relevant provisions that regulate activities in the financial-banking field or any of the situations from letter a);
- c) aspects related to professional performance, as well as the financial solidity of the member of the management structure, taking the following into consideration:
- (i) the existence of entries in the criminal record;
 - (ii) financial results of the entities held or managed by the member or in which the assessed member held or holds significant interest or influence; special attention is paid to financial recovery procedures, bankruptcy, liquidation and how that particular member contributed to the situation that led to these procedures;
 - (iii) declaration of personal bankruptcy;
- d) the assessed individual was in one of the following situations:
- i) has not proven transparency, openness and cooperation in relation to regulatory authorities;
 - ii) was a member in the management structure of an entity that was subject to the dismissal of an approval, for reasons related to the assessed person or a sanctioning decision by a regulated authority or whose registration or authorization has been withdrawn by a regulating authority;
 - iii) was denied, withdrawn or forbidden the right to carry out activities that require registration or authorization by a regulating entity;
 - iv) was a member of the management structure of an entity that entered insolvency or involuntary liquidation, in the period when they had contractual relationships with that entity, on the condition that they are held responsible for the entity entering insolvency, in compliance with the applicable provisions from the incidental legislation on insolvency or involuntary liquidation;
 - v) was fined, suspended or sanctioned for fraud, embezzlement, or in relation to the supply of financial services or data;
 - vi) was revoked or fired due to imputable reasons, in compliance with the applicable legislation, from the position of manager or another management function or another relevant position;
 - vii) there is any other evidence or complaints or serious notifications based on relevant information, credible and reliable, that suggests that the individual acts in a way that is not compliant with conduct rules.

5.9. Assessing that **governance requirements are met** refers to:

a) the existence of a possible conflict of interest;

“conflict of interest – that situation or circumstance that may occur in the operational or decisional process, in which the direct or indirect personal interest of the assessed individuals within the regulated entity contravenes to its interest, so that it affects or could affect the independence and impartiality in making decisions, professional reasoning or timely and objective fulfillment of duties related to their attributions or that could affect, through their nature, the integrity or stability of the entity or financial market.”

EVERGENT Investments has implemented rules and procedures for the management of possible conflict of interest situations to which the following aspects are added:

1. the company must go through a rigorous process of reviewing and approving members before engaging in certain activities, such as holding positions in other governing bodies to ensure that those activities will not create conflicts of interest.
 2. the members have the obligation to promptly disclose, both EVERGENT Investments and the FSA, the aspects that could generate or have already generated conflicts of interest, taking into account in particular the circumstances described in art. 17, paragraph 3, letters a)-c) of the *Regulation* and which could impede their ability to perform their duties objectively and independently.
 3. each member of the management structure shall identify and present, during the meetings of the management structure, any circumstances that could give rise to conflicts of interest of a nature and that might impede their ability to fulfill their responsibilities in an objective and independent manner.
 4. the management structure evaluates any other circumstances that could give rise to a conflict of interest and approves measures for their management and mitigation, including the vote abstention of the member with respect to any matter in which they could be in a potential conflict of interest.
 5. EVERGENT Investments notifies the FSA about the conflicts of interest that might affect the independent thinking of a member of the management structure, including the ordered measures.
 6. the existence of at least one circumstance that could give rise to a conflict of interest does not automatically prevent a member or possible member from being a part of EVERGENT Investments' management structure.
- b) the ability to effectively carry out the activity and to allocate the proper amount of time for its exercise.
- c) the ability of the individual to fulfill the attributions assigned to them independently, as well as relevant aspects that may results from the analysis of information obtained regarding:
- activities carried out in the previous and current functions, exercised within EVERGENT Investments or other entities;
 - personal, professional or economic relationships with the members of the management structure within EVERGENT Investments or within other entities of the EVERGENT Investments Group;

- personal, professional or other economic relationships with the shareholders that hold control over EVERGENT Investments or other entities within the Group. The assessment is carried out in compliance with art. 16 of the *Regulation* “Simultaneously held management functions” and art. 17 “Independent thinking and conflicts of interest.”
- d) abidance by other specific adequacy requirements for the management structure members, foreseen by internal rules/statutory documents.
- e) restrictions and incompatibility between the assessed function and functions held within EVERGENT Investments or within other entities, as defined by specific sectorial legislation.

In EVERGENT Investments’ case, **incompatibility of the management structure members** are regulated by incidental legislation (FSA Regulation no. 9/2014, FSA Regulation no. 10/2015) and by the Articles of Association of companies in which the individual holds management functions, is employed at or has had contract relations with.

FSA Reg. no. 9/2014 Members of the board of directors/ supervisory council and directors/ members of the SAI directorate, as well as <i>the individuals replacing the latter</i>	FSA Reg. no. 10/2015 directors/members of the directorate of an FSA authorized AIFM, as well as <i>the individuals replacing them.</i>	FSA Reg. no. 10/2015 Members of the Board of Directors /supervisory council of the FSA authorized AIFM. [management bodies defined by art. 1, item 4 of (EU) <u>Regulation no. 231/2013</u>]
a) to not be members of the Board of Directors/ Supervisory Board or directors/members of the directorate of: - another investment management company, investment company - a credit institution that fulfills the function of depositary for one of the managed collective placement bodies	a) to not be members in the Board of Directors/Supervisory Board or directorate/members of the directorate of: - another AIFM - depositaries of managed AIFs - a financial investment company (S.S.I.F.) with which the AIFM has entered a brokerage contract into	a) to not be members of the Board of Directors/Supervisory Board or directors/members of the directorate of: - unei alte A.F.I.A. - societăți de administrare a investițiilor - societăți de investiții - credit institutions that fulfill the depositary function for any of the managed collective placement bodies
b) must not be members of the Board of Directors/ supervisory council of a SSIF with whom SAI has entered a financial brokerage contract into		b) must not be members of the Board of Directors/ supervisory board of a S.S.I.F. with whom the AIFM/SAI has entered a financial brokerage contract into
c) must not be employed or have any kind of relationship with another SAI or an investment company (art. 23 (1), letter d, item 2)	b) must not be employed or have any kind of contract relationship with another AIFM with the exception of other entities that belong to the same group (art. 8 (1), letter c)	c) must not be employed or have any kind of contract relationship with another SAI or an investment company, with the exception of other entities belonging to the same group
d) cannot be significant shareholders, cannot hold a position or be an employee of another SAI or self-managed investment company. For the members of the Board of Directors/supervisory board, the restriction does not apply in case these individuals are part of the Board of Directors/Supervisory board of an entity within the Group (art. 23, paragraph 2).		

The individual/s replacing members of executive management (individual/s appointed as “director replacement” (art. 23, paragraph (1), letter e of FSA Regulation no. 9/ 2014, art. 37, paragraph (4) of the *Regulation*) meet(s) the same requirements as the members of executive management, with the exception of the work program that may be part-time (Regulation no. 9/2014, art. 23 (1), letter e); Reg. 10/2015, art. 8 (1), letter i).

The individuals appointed to **key functions** cannot be directors of companies where EVERGENT Investments is a shareholder.

The compliance officer has the following incompatibility:

- (a) to not exercise any attribution such as those they must control
- (b) to carry out activities that are specific for the compliance function only within that particular AIFM
- (c) to not be a significant shareholder of the AIFM, to not be a member of the Board of Directors/Supervisory Board or director/member of the directorate, to not hold the position of financial auditor for an AIFM, a SSIF with whom the AIFM has entered a brokerage contract, to not be involved with another AIFM/SAI or another depositary of an AIF managed by an AIFM and not to be employed by another AIFM/another SAI or another depositary within the department/service that carries out activities related to depositary activity.

The staff of the risk management department has the following incompatibility:

- (a) not to carry out portfolio management activities
- (b) the independence of the function should not be affected by the fact that the risk management activity is closely related to the investment process
- (c) carry out activities specific to the function only within that particular AIFM
- (d) not be a significant shareholder of the AIFM, not be a member of the Board of Directors/Supervisory Board or a director/member of the directorate, not be the financial auditor of an AIFM, a SSIF with whom the AIFM has entered a brokerage agreement, not to be an individual involved with another AIFM/SAI or an AIF depositary managed by the AIFM and not to be an employee of another AIFM/another SAI or a depositary within the department/service that carries out depositary activities.

The staff of the internal audit department has the following incompatibility:

- (a) shall not audit activities or functions previously carried out or held, unless at least 12 months have passed since;
- (b) shall not engage in operations of the company or its subsidiaries and will not be able to initiate or approve operations not related to internal audit;
- (c) shall not plan or implement internal control procedures or any other procedures of the company or its subsidiaries;
- (d) cannot be appointed to carry out internal audit missions in other departments within the company or for a subsidiary with an internal auditor company that is in conflict of interest;
- (e) cannot be subjected to external interferences with respect to the definition of their sphere of intervention, the effective accomplishment of the works and communication of results;

- (f) will not supervise the activity of any department or subsidiary;
- (g) individuals who are spouses, relatives or relatives up to the fourth degree, including those in the executive management, may not be internal auditors within the company;
- (h) internal auditors may not be appointed to perform internal audit assignments in a department or a subsidiary if they are married or related up to the fourth degree, including those in its management.

Without prejudicing the objectiveness and impartiality of internal audit, at the request of the Board of Directors and executive management, the staff of the internal audit department may offer counseling services with respect to conceiving and implementing new policies, processes, systems and products, provision of fraud investigation services, provision of training sessions, as well as conducting discussions on risks and controls.

The internal audit activity may provide assurance services if it has previously delivered counseling services, provided that the nature of the counseling does not affect its objectivity.

Internal auditors may provide counseling services in connection with carrying out operations for which they have had prior responsibilities. If the independence or objectivity of the internal auditors could be affected in relation to the suggested counseling services, they must inform the party soliciting those services on the potential existent deficiencies before accepting the assignment.

6. Submission of applications for FSA approval / notification of the assessed individuals

For each of the assessed individuals appointed within the management structure or in order to exercise authorized/notified key functions, EVERGENT Investments submits them for FSA approval, before exercising the attributions. Any situations that may arise subsequent to the approval/notification of these individuals with respect to not abiding by the requirements foreseen in the hereby regulation or vacating a position within the management structure or a key function shall be communicated to the FSA within 5 working days.

If the attributions specific to a key function are divided among more individuals assigned by the regulated entity, the individual approval/notification for each individual is requested.

If the exercise of attributions specific to key functions is achieved within a distinct organizational structure, it may only request the approval for the individual leading it.

The procedure is rightfully filled in, when necessary, with the documents presented under chapter 1 of the hereby procedure.

Annexes 1 and 2 are an integral part of the hereby procedure.

Claudiu Doros
President of the Board of Directors

Cătălin Iancu
CEO

Gabriel Lupașcu
Compliance Officer