Transilvania Investments

Corporate Governance Regulation

transilvaniainvestments.ro

SUMMARY

1. PREAMBLE

Transilvania Investments Alliance S.A. (Transilvania Investments/"the Company") is classified as a Retail Investor Alternative Investment Fund (R.I.A.I.F.) of diversified and closed-end type, established as an investment company, self-managed, according to the provisions of Law no. 243/2019 *on the regulation of alternative investment funds.* The Company is authorized, regulated and supervised by the Financial Supervisory Authority (F.S.A.).

At the same time, Transilvania Investments is authorised as an Alternative Investment Fund Manager (A.I.F.M.), according to the provisions of Law no. 74/2015 *on alternative investment fund managers*, under F.S.A. Authorization no. 40/15.02.2018. The company is registered with F.S.A. Register, Section - Alternative Investment Fund Managers, Subsection - Alternative Investment Fund Managers Authorized by F.S.A. (A.I.F.M.A.) under no. PJR07.1 AFIAA/080005.

The shares issued by Transilvania Investments are listed on the Bucharest Stock Exchange (**symbol** **TRANSI**), under the Premium category, Main segment, and they are held by Romanian and foreign individual and institutional shareholders.

Corporate governance is a complex of processes, practices, policies, regulatory framework with impact on the administration, management and control of a company. Corporate governance considers the way in which the rights and responsibilities are structured between various categories of participants in the activity of the company, like shareholders, Supervisory Board, top management, employees, auditors, also specifying the way in which the decisions are taken with regard to the activity of the company, the way in which the strategical objectives are defined, the means by which they are met and the way in which economic performances are monitored.

Transilvania Investments applies the corporate governance principles since financial year 2010, when it voluntarily adhered to the Code of Corporate Governance (C.C.G.) of the Bucharest Stock Exchange (B.S.E.). The Company periodically presents, under the "Aplici sau Explici" ("Apply or Explain") Statement, its degree of compliance with the principles and recommendations included in B.S.E.'s C.C.G. Since January 2016, Transilvania Investments has been implementing the provisions of B.S.E.'s new Code of Corporate Governance which is applicable to all companies whose shares are admitted to trading on the regulated market. Moreover, the Company promotes the development of corporate governance while applying best practices and ensuring prudent management, in compliance with the provisions of F.S.A.'s Regulation no. 2/2016 *on the application of the principles of corporate governance by the entities authorized, regulated and supervised by the Financial Supervisory Authority*.

Transilvania Investments' corporate governance complies with the companies' laws, i.e. **Law no. 31/1990** on trading companies, republished in 2004, as further amended and supplemented, **Law no. 297/2004** on capital market, as further amended and supplemented, **Law no. 24/2017** on issuers of financial instruments and market operations, **Law no. 74/2015** on alternative investment fund managers, **Law no. 243/2019** on regulation of alternative investment funds and for the amendment, as amended and supplemented, and supplementation of regulatory acts issued by F.S.A. and the European Union for regulating the capital market, accounting regulations, audit regulations, **Law no.**

82/1991 on accounting, republished, as further amended and supplemented, the new **Code of Corporate Governance of the Bucharest Stock Exchange**, the **Company's Articles of Incorporation** and the **Collective Labour Agreement**, together with the **Internal Regulations** of the Company, hereinafter referred to collectively as the "Legal Provisions".

The Executive Board of Transilvania Investments, with the approval of the Supervisory Board, adopted this Corporate Governance Regulation (the "Regulation") which defines the management policies, practices and structures enabling it to fulfil its main duty, i.e. to efficiently manage the Company with the shareholders' best interests at heart.

The implementation of the Corporate Governance Regulation in the current activity of Transilvania Investments provides improved protection of the rights of shareholders, harmonization of the interests of all the parties involved in the relationship with the company, increase of transparency as concerns the managerial activity by means of sustained communication with shareholders, an adequate balance between compliance and performance, establishment of transparent criteria in the procedure of electing the members of the Supervisory Board and top management.

The Corporate Governance Regulation of Transilvania Investments provides a summary of the company's corporate governance structures, decision-making rules, procedures and processes, governance standards ensuring the application of the general principles regarding the management and efficient control of the business transacted by the Company based on its scope of business, to the benefit of the shareholders and for the purposes of boosting investor confidence. The entire set of corporate governance standards outlines the structure used to determine the Company's objectives, the means to achieve them and to monitor performance, and is aimed at promoting fairness, transparency and responsibility at Company level.

The Corporate Governance Regulation of Transilvania Investments may be consulted by visiting the website of the Company: www.transilvaniainvestments.ro,, under section *About us / Corporate Governance*. The regulation shall be reviewed and updated from time to time so as to reflect the internal and external changes and developments in the business environment of the Company.

2. CORPORATE GOVERNANCE STRUCTURES

According to the Articles of Incorporation of the Company, Transilvania Investments is managed under a two-tier system, by the Executive Board ("senior management") that carries out its activity under the supervision of the Supervisory Board, this form of organization ensuring a clear separation of the administration/management activity from the supervision and control activity.

During the conduct of its business, Transilvania Investments applies the following **general principles**:

(i) It has established and it implements and maintains an organisational structure which clearly identifies the hierarchical levels and within which functions and responsibilities are assigned in a clear and formalised manner, in line with the principle of separation and independence of key functions, and all activities are carried out based on work and decision-making procedures approved by the company's senior management;

(ii) It makes sure that the relevant persons are aware of the procedures which must be followed for appropriately fulfilling their duties;
(iii) It implements and maintains adequate internal control mechanisms to ensure compliance with decisions and procedures at all hierarchical levels;
(iv) It implements and maintains an efficient internal reporting and information system at all relevant levels, as well as effective exchanges of information with all involved third-parties;
(v) It maintains records in an adequate and orderly manner with respect to the activities performed and to its internal organizational structure.

2.1. General Meeting of Shareholders

The Company's supreme deliberation and decision-making body is the General Meeting of Shareholders, which is established and operates in compliance with the provisions of the valid law and of the Company's Articles of Incorporation.

The general meetings of shareholders of Transilvania Investments are summoned by the Executive Board, at its initiative or upon the request of the shareholders representing, jointly or severally, at least 5% of the share capital of the Company. The general meetings of shareholders are ordinary and extraordinary meetings.

In order for the deliberations of the **ordinary general meeting** to be valid, it is required that shareholders holding at least **one fourth of the total number of voting rights** to attend. If such requirements are not met at a first call, the general ordinary meeting of shareholders, which shall gather upon a second call, may deliberate on the items on the agenda of the first meeting, irrespective of quorum, and adopt resolutions by the quorum of votes cast. The resolutions of the ordinary general meetings are adopted by a majority of votes cast.

In order for the deliberations of the **extraordinary general meeting** to be valid, it is required that, upon a first call, shareholders holding at least **one fourth of the total number of voting rights** to attend, and upon subsequent calls, shareholders representing at least one fifth of the total voting rights. The resolutions are adopted by a majority of the votes cast by the attending or represented shareholders. For the adoption of the decision on the withdrawal of the shares of the company from trading, the attendance of shareholders holding two thirds of the voting rights shall be required, and the decision shall be taken by a majority of three fourths of the votes held by the shareholders attending in person or by proxy.

For certain types of deliberations of the general meetings of shareholders, the law sets forth majority requirements other than those indicated above.

In accordance with the provisions of Law no. 24/2017, the position of "abstention" adopted by a shareholder in respect to the items on the agenda of a general meeting of shareholders does not represent a vote cast.

The duties of the ordinary and extraordinary general meetings of shareholders are those set forth under Law no. 31/1990 and Law no. 24/2017, as republished.

All shareholders registered on the **reference date** in the registry of shareholders kept by Depozitarul Central S.A. are entitled to attend and vote in any of the general meetings. They may attend and vote in any of the Company's general meetings of shareholders, whether in person or by representative, or they may cast their vote by correspondence or by means of electronic communication, in compliance with the legal provisions and F.S.A.'s instructions issued for the enforcement of the law. The Executive Board of the Company shall draw up and make available to the shareholders, by publication on its website, procedures for voting by correspondence, including by electronic means, by proxy and by direct participation in general meetings of shareholders.

The meeting notice shall be sent to B.S.E. and F.S.A. and published in the Official Gazette of Romania, Part IV, in a national newspaper and in a newspaper printed in at Brasov and posted on the website of the company. The documents related to the items included on the agenda of a general meeting are made available to the shareholders at the office of the company and on its website, no less than 30 days prior to the date of the meeting. Within 24 hours as of the date of the general meeting of shareholders, the Company shall send to B.S.E. and F.S.A. a current report on the decisions adopted by the general meeting of shareholders. The resolutions of the General Meeting of Shareholders shall be published in the Official Gazette of Romania, Part IV, and posted on the website of the company.

2.2. Supervisory Board

The Supervisory Board has full powers to supervise and control the activity of the Executive Board, according to the law.

While fulfilling their professional duties, the members of the Supervisory Board of Transilvania Investments should observe at any time during their activity the following **rules of ethics and conduct**:

Professionalism - in all activities which they carry out, they have to prove that they are professionals, to correctly apply the theoretical knowledge and practical skills, to show interest for knowledge and application of novelties in their area of activity, complying with the relevant legal provisions;

Responsibility - they shall carry out the activity in a responsible and true way, by respecting the dignity and prestige of their profession; they shall not engage in any practices that might prejudice the image and interests of the company, and they shall be continuously preoccupied to defend the interests of Transilvania Investments and its shareholders;

Confidentiality - they are bound to keep confidential the data and information obtained while exercising their function, and also the confidential/privileged information, including personal data, necessary to carry out the specific activity. Moreover, it is prohibited as follows:

a) Engaging or attempting to engage in practices of abusive use of privileged information;
b) Recommending or inducing another person to engage in practices of abusive use of privileged information, or convincing another person to engage in abusive use of privileged information;
c) Disclosing privileged information without authorisation;
d) Engaging or attempting to engage in market manipulation.

Moral integrity - they shall adopt a behaviour in accordance with the ethical rules accepted and enforced within the Company; they shall be honest in interpersonal relationships, rigorousness in fulfilling their tasks, confidentiality of information which they come in contact with. It is prohibited to request or accept gifts, money, loans or other advantages from third parties both for themselves and for others;

Political neutrality - they shall maintain in their activity the independence from any political influences, and they shall not use the name of the company to promote political interests.

The members of the Supervisory Board of Transilvania Investments shall observe at any time during their activity the following **prudential rules**:

- To act with honesty, competence, caution, diligence and fairness while carrying out their activities;
- To act in the interest of the Company, the investors of Transilvania Investments and market integrity;
- To preserve and to efficiently use the resources and procedures necessary for the proper performance of their activity;
- To take all reasonable measures provided at Article 16-29 of Regulation (EU) No 231/2013, in order to avoid conflicts of interest and, where they cannot be avoided, to identify, manage, monitor and, where appropriate, disclose conflicts of interest with the aim of preventing them from adversely affecting the interests of Transilvania Investments and its investors;
- To comply with all the regulations applicable while carrying out their activity, so that to promote the interest of Transilvania Investments, investors of Transilvania Investments and market integrity;
- To treat all investors of Transilvania Investments in a fair manner.

2.2.1. Structure of the Supervisory Board

According to the provisions of the Articles of Incorporation, the Supervisory Board consists of five members - private individuals - who are elected by secret ballot by the ordinary general meeting of shareholders for a four-year mandate.

The members of the Supervisory Board elect a Chairman and a Deputy Chairman, with the vote of the majority members, during the first meeting organised after the authorisation of the members by the Financial Supervisory Authority (F.S.A.), after their acceptance of the mandate. The Chairman or Deputy Chairman may be dismissed at any time, for well-grounded reasons, with the majority vote of the members of the Board.

In the event of one or more vacancies within the Supervisory Board, the Supervisory Board shall elect, upon the recommendation of the Nomination Committee, one or more provisional member(s), whose mandate shall be valid until the next ordinary general meeting of shareholders.

The members of the Supervisory Board, both those elected by the general meeting of shareholders and the provisional members, are subject to endorsement by the Financial Supervisory Authority prior to them commencing to exercise their duties.

The members of the Supervisory Board shall carry out their activity based on a management contract, approved by the General Meeting of Shareholders and signed on behalf of it by the Chaiman of the Executive Board or by a person designated in this respect by the General Meeting of Shareholders in which the members of the Supervisory Board are elected, based on the Organisation and Operation Regulation of the Board and the Articles of Incorporation of the Company.

The members of the Supervisory Board are non-executive members, i.e. they cannot act at the same time as members of the Executive Board. Moreover, they cannot be members of the Supervisory Board and Company employees at the same time.

At least two members of the Supervisory Board should be independent members, a status which is assessed based on the independence criteria set forth under Law no. 31/1990 on trading companies, and B.S.E.'s Code of Corporate Governance, namely:

i. They are not the General Manager/Chief Executive Officer of the company or of a company controlled by it, and they have not held such position within the last five (5) years;
ii. They are not employee of the company or of a company controlled by it, and they have not held such position within the last five (5) years;
iii. They do not receive and have not received additional remuneration or other advantages from the company or company controlled by it, except for those corresponding to the capacity of non-executive manager;
iv. They are not a significant shareholder of the company;
v. They do not have and did not have in the previous year a business or professional relationship with the company or with a company controlled by it, whether directly or in the capacity of client, partner, shareholder, member of the Board/Director, general manager/chief executive officer or employee of a company if, based on their substantial character, such relationship might affect their objectivity;
vi. They are not and have not been within the last three years the external or internal auditor or partner or employee or the current external financial auditor or internal auditor of the company or of a company controlled by it;
vii. They are not the general manager/chief executive officer of another company where another general manager/chief executive officer of the company is non-executive manager;
viii. They were not non-executive manager of the company for more than three mandates;
ix. They do not have family relations with a person in the circumstances provided at section i. and iv. above.

Each independent member of the Supervisory Board shall make a statement upon their nomination for election or re-election, as well as upon the occurrence of any change in their status, indicating the matters based on which it is deemed that they are independent in terms of their character and judgement and based on the abovementioned criteria.

2.2.2. Nomination of Supervisory Board members

The provisional members of the Supervisory Board shall be nominated by the Nomination Committee.

The candidates to the position of member of the Supervisory Board, subject to election by the general meeting of shareholders, are nominated by the acting members of the Board upon the recommendation of the Nomination Committee and/or by the shareholders.

The members of the Executive Board shall meet, at the time of their nomination and during their entire term of office, the general requirements provided by Law no. 31/1990, as well as those referring to professional competence, relevant experience, integrity, good repute and governance, as defined under the applicable F.S.A. regulations and included in the Procedure regarding the assessment of prior and continuous adequacy of members of the management body and key function holders within Transilvania Investments.

The members of the Supervisory Board shall report on an annual basis to the Audit Committee their main positions and business activities, including their main duties in non-profit organizations, as well as any relevant corporate bodies within which the members of the Supervisory Board are themselves or those represented by them are significant shareholders. The Audit Committee will make sure that there were no conflicts of interests, and in case of identifying such situations, that they were properly addressed.

2.2.3. Duties of the Supervisory Board

The Supervisory Board has the following **main duties**:

1) To elect and to dismiss the Board's Chairman and Deputy Chairman;
2) To appoint and to dismiss the President and the other members of the Executive Board, to establish the powers and duties of the members of the Executive Board, the terms and conditions of the mandate of each member of the Executive Board, including relevant criteria for monitoring the performance of the Executive Board and of the Company, and to periodically assess the implementation of such criteria;
3) To permanently monitor the fulfilment by the members of the Executive Board, the provisional members of the Supervisory Board, compliance officer, risk manager and internal auditor, of the assessment criteria based on which they were approved by the Financial Supervisory Authority and notified to F.S.A, respectively, during their entire term of office, in compliance with the applicable F.S.A. regulations and the Procedure regarding the assessment of the adequacy of the members of the management structure and key functions within Transilvania Investments;
4) To verify the compliance with the law, the Articles of Incorporation and the resolutions of the General Meeting of Shareholders of the management operations of the company carried out by the members of the Executive Board.
5) To approve and revise the general business strategy of the Company;
6) To endorse the annual financial statements of the Company after reviewing the report of the Executive Board;
7) To approve the annual plan of the internal auditor and compliance officer;
8) To approve the policies and procedures which the Supervisory Board is responsible for in compliance with the legal provisions;

9) It may decide on the establishment of advisory committees consisting of at least two members, according to the Resolution of the Supervisory Board, whose main purpose is to conduct research / investigations / analyses and to deliver recommendations to the Supervisory Board;
10) To endorse, upon obtaining the audit committee's opinion, any transaction of the Company with any of the companies which it has close relationships with, whose value is of at least 5% of the Company's net assets, according to the latest financial report;
11) To endorse the execution of any corporate operation which bind the Company, with a value exceeding the equivalent in RON of EUR 5,000,000/transaction, upon the request of the Executive Board. Operation refers to transactions of the same type, namely sale and purchase transactions carried out with the same financial instrument within a financial reporting period. In case of successive sale-purchase operations on the same financial instrument, the EUR 5 million limit refers to the net balance (exposure) per instrument as a result of such successive transactions. The Executive Board shall be bound to inform about the result of the trading activity within the periodical reporting to the members of the Supervisory Board. The endorsement may also be given in an electronic meeting;
12) To analyse and approve the quarterly risk management reports, upon their approval by the Executive Board;
13) To report, at least once a year, to the General Meeting of Shareholders on the supervisory activity conducted;
14) Upon being notified by the compliance officer on any breaches of the legal requirements applicable to the capital market, including of the internal procedures of the Company, which were identified during its activity, the Supervisory Board shall be bound to notify F.S.A. and the capital market institutions as soon as possible with respect to such circumstances and the actions taken;
15) To approve, together with the Executive Board, the risk management policy, strategy and procedures;
16) To analyse the adequacy, efficiency and accuracy of the risk management system for the purposes of efficiently managing the assets of the Company, as well as the management of related risks to which the Company is exposed, and to adopt the actions required in view of developing a strong risk management culture;
17) To approve the Company's specific risk profile parameters, as well as the procedure for identifying, assessing, monitoring, handling and reporting any major risks to which the Company is exposed;
18) To conduct a biannual assessment, together with the Executive Board, of the business continuity and disaster recovery plans;
19) To fulfil any other duties falling within its competence, as set forth under the law and the Articles of Incorporation.

The Supervisory Board has prerogatives set forth under the law and Articles of Incorporation, and it shall act in accordance with the Organization and Operation Regulation of the Board. In this respect, the Board has the following **main responsibilities**:

1) To supervise and it is responsible for the strategic management of the Company and the fulfilment of the set objectives;
2) To supervise the enforcement of the corporate governance principles;
3) To endorse the business plan of the Company;
4) To evaluate the financial position of the Company;
5) To establish the relevant criteria for monitoring the results of the activity of the Executive Board and of the company as a whole, and to evaluate, on an annual basis, the way in which such criteria are enforced;
6) The Supervisory Board makes sure that an adequate framework is in place to determine how the specific laws on reporting to the F.S.A. are applied and to check the information delivered to F.S.A. regarding certain actions of the company;
7) To define, together with the financial auditor, a formal and transparent framework so as to enable it to receive accurate and complete information in a timely manner with respect to the way in which the financial reporting principles and practices, including the prudential reporting principles and practices, are applied;
8) To analyse the adequacy, efficiency and accuracy of the risk management system for the purposes of efficiently managing the assets of the Company, as well as the management of related risks which the Company is exposed to;
9) To conduct a biannual assessment of the efficiency of the risk management system, based on the risk report, and according to the specific internal policies and procedures;
10) To prepare and revise the remuneration policy of the Company so that it is consistent with the business strategy and long-term objectives and interests and includes actions for preventing conflicts of interest;
11) To ensure that adequate internal notice procedures for reporting actual and material suspicions of employees with respect to the management of the activity are implemented at Company level according to the Procedure for warning and communication of suspicions of employees regarding the management of the activity of the Company;
12) To approve the specific risk profile parameters of the Company, as well as the procedure for identifying, assessing, monitoring, handling and reporting any major risks which the Company is or might be exposed to;
13) To analyse the adequacy, efficiency and update of the internal control system so that to ensure its independence from the organisational operational and support structures within the Company which it controls and monitors;
14) To ensure that at the level of the Company there is a communication strategy which complies with the applicable legal provisions;
15) To ensure the development of ethical and professional standards in order to ensure a professional and responsible behaviour at Company level so that to prevent the occurrence of the conflicts of interests and to manage such conflicts. To identify and manage conflicts of interest/potential conflicts of interest arising at Supervisory Board level together with the Compliance Officer who manages the Register of Conflicts of Interest at Company level;
16) To ensure the implementation by the Executive Board of policies prohibiting or, where applicable, appropriately limiting the activities, relationships or circumstances which may

reduce the quality of the management framework (conflicts of interests, offering preferential treatment to persons with whom they have special relationships);

17) To ensure compliance with the requirements on outsourcing / delegation of operational activities or functions, both prior and during the entire period of outsourcing / delegation;
18) The Board members refrain from taking decisions in relation to which they are in the situation of a conflict of interests, incompatibility or other situations provided by the law;
19) To monitor the transactions entered into with persons with whom the Company has special relations;
20) By considering the legal provisions, the Supervisory Board, through the Chairman of the Board, may request access to any information on the shareholders of the Company, as they are provided by the Central Depository, based on reasons in line with the legal provisions. The Executive Board shall make available to the Supervisory Board, through the President of the Executive Board, unconditionally, upon request, all requested information on the Company's shareholders, considering the substantiation of the request with the relevant legal provisions regarding the supply of personal data of the Company's shareholders;
21) The supervisory activity shall be carried out by taking all actions required and useful for the fulfilment of the scope of business of the Company, except for those reserved by law for the general meeting of shareholders, in compliance with the provisions of the Company's Articles of Incorporation; the permanent control is exercised by reviewing the reports of the Executive Board, requesting information etc.;
22) To review and endorse all resolutions to be submitted for approval to the General Meeting of Shareholders, where applicable;
23) To prepare, approve and revise the Regulation of the Supervisory Board, and the Organisation and Operating Rules of the Committees established by the Supervisory Board;
24) To revise and approve the Organisation and Operating Rules of the Executive Board prepared and subject to approval by the latter;
25) To decide on the initiation of insolvency proceedings with respect to the Company upon its own initiative or based on the report of the Executive Board prepared for this purpose, and to supervise the conduct of such proceedings, as applicable;
26) To carry out, on an annual basis, a self-evaluation of its activity and the activity of the Supervisory Board Consultative Committees based on specific procedures;
27) To exercise their mandate with loyalty, in the interest of the Company; not to disclose to third parties the confidential/privileged information and business secrets of the Company which they have access to in their capacity of members of the Supervisory Board, according to the legal provisions and clauses of the management contract;

Each Board member must provide the Board with information on any relationship with any shareholder that holds, directly or indirectly, shares representing more than 5% of all voting rights. This obligation refers to any type of relationship which may affect the member's position as to the matters subject to approvals issued by the Board.

2.2.4. Remuneration of Supervisory Board members

In accordance with the Remuneration Policy of Transilvania Investments, approved by the shareholders of the Company, the remuneration of the members of the Supervisory Board consists of a fixed remuneration and may also include a variable component.

Fixed remuneration: for exercising their supervisory duties, the members of the Supervisory Board shall receive a monthly fixed remuneration established by the Ordinary General Meeting of Shareholders as consisting of 2.43 average gross salaries at Company level for each Board member, 2.84 average gross salaries at Company level for the Deputy Chairman and 3.56 average gross salaries at Company level for the Chairman. The average gross salary per company, based on which the remuneration of the Supervisory Board members is calculated, is the one afferent to December 2023.

Variable remuneration: Variable remuneration is the form of payment or additional indemnity paid by the Company by considering qualitative performance criteria provided in the Remuneration Policy of the Company. The variable remuneration for the members of the Supervisory Board is set within the limits approved by the General Meeting of Shareholders, through the Remuneration Policy and the Stock Option Plan programs and is granted in the form of shares issued by the Company.

2.2.5. Operation of the Supervisory Board

The Supervisory Board shall meet in ordinary or extraordinary meetings.

The meetings of the Board shall be organised by physical participation of the Board members in the meetings or by videoconference, teleconference or correspondence.

Participation in meetings may be in person, by proxy (one member may represent a maximum of one other member) or by means of remote communication (telephone, videoconference or electronic mail).

The **ordinary meetings** are held at least once every three months and they are summoned by the Chairman or Deputy Chairman of the Supervisory Board, if the Chairman is unavailable/absent. The notice to attend the meeting shall be signed by the Chairman or Deputy Chairman, as the case may be.

The convening notice of the ordinary meetings shall include the proposed agenda, the place or method of organisation (physical attendance, teleconference, videoconference or electronic correspondence), the date and time of the meeting.

The convening notice of the ordinary meetings shall be sent in writing by the Board Secretariate via electronic mail, as a rule three calendar days before the date of the meeting (counted from the date of sending the convening notice up to and excluding the date of the meeting).

The agenda of the ordinary meeting may be supplemented with new items by any member of the Board or by the Executive Board, by sending the proposal for the addition to the agenda to the Chairman or Deputy Chairman and the Secretariate, by any means of correspondence (mail, electronically, etc.), by the time the Board meeting is opened.

The **extraordinary meetings** shall be convened by the Chairman or Deputy Chairman, whenever necessary, if the urgency of the situation so requires.

The convening notice of the meeting shall be drawn up in a similar manner to the convening notice of the ordinary meetings.

The convening notice of the extraordinary meetings shall be communicated prior to the organisation of the meeting, within a reasonable time.

The extraordinary meetings may be held if all the members of the Board are notified of the meeting and a majority of them attend the meeting, whether directly or by proxy.

The Supervisory Board may be convened also **upon the justified request of at least two of its members or upon the request of the Executive Board** any time such meeting is necessary. The convening request shall set out the proposals to be debated.

The meeting should be convened in maximum three days as of the date the convening request is registered with the company, and the Board shall meet within maximum 15 days as of convening. If the Chairman does not comply with a request to convene a meeting submitted by at least two members of the Board or by the Executive Board, the meeting shall be deemed to have been legally convened by the convening request submitted by the members of the Board or by the Executive Board, and it shall be held at the registered office of the company on the fifteenth day following the date of the convening request.

The convening notice of the meeting shall be drawn up in a similar manner to the convening notice of the ordinary meetings.

Meetings may be organised by teleconference/videoconference or electronic correspondence (e-mail). A member of the Board who attends the meeting by conference call or videoconference shall be considered present at that meeting. The content of the minutes drawn up after such a meeting shall be signed by the participants at the next meeting with physical attendance.

Votes cast in writing, including by electronic correspondence, shall be sent to the Secretary of the Board, who shall inform all members of the Board of the result of the vote and the decision taken. Electronic voting shall be exercised within the deadline specified in the convening notice.

In the case of voting by post or electronic mail (e-mail), any views of the Board members, requests for information and related materials shall be immediately forwarded by the Secretary to all Board members.

Common provisions for the Supervisory Board meetings

The Board meetings shall be held at the registered office of the company or at any other place indicated in the convening notice, or they shall be organised by teleconference, videoconference or electronic correspondence and shall be chaired and conducted by the Chairman or, in case of their unavailability, by the Deputy Chairman.

If the Chairman and the Deputy Chairman of the Board does not attend the meeting, irrespective of the reasons for their absence, and do not designate another Board member to replace them, the members attending the meeting shall elect a Chairman to preside over the meeting. If the designated secretariate of the Board does not participate in the meeting, the attending members of the Board shall elect a secretary to carry out all the operations specific to this function.

During a meeting organised with physical attendance, Board members may participate by teleconference or videoconference, in which case they shall be deemed to be participating in that meeting.

The meetings of the Supervisory Board shall be held in Romanian.

The Supervisory Board shall be validly gathered if at least three members are attending the meeting or represented by proxy. A member of the Board may represent only one other member based on a proxy valid for that Board meeting. The proxy is valid and causes effects if it is sent to the Company and to the other members of the Board by the Secretariate of the Board at least one business day prior to the date of the meeting.

The resolutions of the Supervisory Board shall be made with the vote cast by the majority of the attending or represented members. In case of a tie, the Chairman of the Supervisory Board shall always have the decisive vote. In the absence of the Chairman, the Deputy Chairman, or in the absence of the Deputy Chairman, the substitute of the Chairman, shall have the decisive vote.

Members of the Executive Board shall attend Supervisory Board meetings as invitees with non-voting right. The Board may also invite other senior management or employees of the company, auditors and specialists to participate in the proceedings without the right to vote.

The company provides the necessary logistical support for the meetings of the Board, including secretarial support.

The documents relating to the meeting agenda and the documents presented by the Executive Board relating to items on the agenda shall be sent to the Board members by electronic mail or made available to them in the partition dedicated to the Board.

At the Supervisory Board meetings, the Executive Board shall submit written reports on the carried-out operations/activities, at least on a quarterly basis. Such reports shall be made available to Board members as meeting materials.

The Committees of the Supervisory Board shall submit reports, reviews or information/recommendations to the Board.

The minutes of the meetings shall be prepared in Romanian by the Secretariate of the Board or by the secretary appointed during the meeting, within maximum 3 business days as of the meeting date (numbered as of the date of the meeting, exclusively). The minutes shall contain the list of attending members, invitees, secretariate of the meeting, agenda, summary of the debates, nominal votes, resolutions adopted for each item on the agenda and the separately expressed viewpoints concerning each item on the agenda.

The minutes of ordinary and extraordinary meetings, including those held by correspondence, shall be drawn up and kept by the Secretary of the Board, and the pages shall be numbered and signed by the latter.

The minutes of the Board meetings shall be made available to the members of the Board in the partition dedicated to the Board. The minutes shall be signed by all Board members no later than the next Board meeting they attend.

The adopted resolutions/decisions, as well as the excerpts from the minutes of the Board meetings, which are necessary in relations with third parties, shall be drawn up by the Secretary of the Board or the Secretary appointed by the Board on the basis of the minutes of the meeting and shall be signed by the Chairman of the Supervisory Board or the Deputy Chairman and the Secretary of the Board/the Secretary appointed by the Board.

The Secretary of the Board shall be responsible for drafting the meeting documents, as well as for keeping the records required by law or established by Board decision, as the case may be (minutes of proceedings, notices of meetings, including proof of their submission, agenda and provided materials).

The resolutions/decisions taken by the Board shall be recorded in a special register kept for this purpose.

Secretarial services for meetings of Board Committees shall be provided by the Board Secretariate.

At each Board meeting, the Board Secretariat shall present the state of implementation of previous Board resolutions. The Secretariate of the Board shall notify the authorised persons of the decisions concerning them, and they shall report to the Board, through the Secretariats, on the progress of their implementation.

In view of the complexity of secretarial work and the high degree of professional specialisation required for this activity, the Board is authorised to organise its own secretariate, as well as those of the Advisory Committees, at the level of external entities - secretarial firms, law firms, etc., subject to the imposition of strict and firm confidentiality obligations.

2.2.6. Committees of the Supervisory Board

In order to support its activity, the Supervisory Board has set up a number of advisory committees, namely the Audit Committee, the Risk Committee, the Remuneration Committee and the Nomination Committee, which carry out their activity in accordance with the legal provisions, the Policies and Procedures regarding the operation of Transilvania Investments Aliance S.A. as an A.I.F.M. and the Regulation on the organisation and operation of the Supervisory Board. The advisory Committees consists only of members of the Supervisory Board.

2.2.6.1. Audit Committee

The Audit Committee consists of at least two members of the Supervisory Board, most of the members being independent.

The members of the Audit Committee are elected by the Supervisory Board. One of the members of the Audit Committee, with training and experience in the financial, accounting and audit fields, will be appointed as the Chairman of the Audit Committee. The Chairman of the Audit Committee should be an independent member.

The members of the Audit Committee must have basic financial and accounting knowledge and at least one member of the Audit Committee must have experience with applying accounting principles or financial auditing.

Any change in the structure of the Audit Committee shall be notified to F.S.A. within the legal term which is calculated as of the date of changing its structure.

The Audit Committee shall provide advice and support to the Supervisory Board in order for the latter to fulfil its tasks concerning internal control, compliance and audit and efficacy of the risk management system; it shall review and make proposals/recommendations regarding the specific issues according to the provisions of the valid legislation, Articles of Incorporation of the Company and Corporate Governance Code, and also upon the express request of the Supervisory Board.

The Audit Committee has the following **main duties**:

i. To monitor the statutory audit of the financial statements prepared by the Company in compliance with the applicable legal provisions, as well as any potential reports prepared upon the request of the shareholders;
ii. To maintain the company's relationship with the financial auditor, to ensure the conclusion and proper enforcement of the agreement concluded therewith, based on Resolution of the general meeting of shareholders;
iii. It is responsible for the selection of the candidates to the statutory Auditor position. The recommendation must be justified and include options for at least two auditors or two audit firms and must indicate a properly justified preference for one of them to the Supervisory Board. Such recommendation, assumed by the Supervisory Board, shall be provided to the shareholders prior to vote casting;
iv. To monitor the efficiency of the internal control (internal audit, compliance and risk management system) adopted by the company;
v. To select the internal auditor and to examine the quality of the reports prepared by it in terms of compliance with the statutory standards and generally accepted internal audit standards, and to assure the Supervisory Board that the reports are consistent with the audit plan approved by the Supervisory Board for each financial year;
vi. To examine any significant matters outlined in audit reports and the proposals for remedying any potential deficiencies, especially with respect to the Company's management, internal control and financial reporting process;
vii. To review whether the accounting policies adopted by the Company comply with the applicable accounting policies and to assure the Supervisory Board that such policies enable a true and accurate presentation of the transactions carried out by the Company based on its scope of business;
viii. Any other matters for which the Audit Committee is responsible according to the law, the Company's Articles of incorporation and Code of Corporate Governance or upon the express request of the Supervisory Board.

The Audit Committee has the following **main responsibilities**:

i. To perform an annual evaluation of the internal control system, efficacy and complexity of the internal audit function, compliance and risk management system, degree of adequacy of the risk managed and internal control report;
ii. To evaluate the Reports of the internal auditor in terms of compliance with the statutory standards and generally accepted internal audit standards;
iii. To evaluate any conflicts of interests with respect to the transactions of the company and of its subsidiaries with the affiliated parties;
iv. To evaluate and recommend measures in order to manage potential conflicts of interests which occur at the level of the Supervisory Board;

v. To evaluate the fulfilment by the internal auditor of the specific criteria set forth under the capital market regulations, in view of its notification to F.S.A., and to monitor the fulfilment of such criteria during the exercise of the internal audit function, in compliance with F.S.A. regulations and the Procedure regarding the assessment of the adequacy of the members of the management structure and key functions within Transilvania Investments;
vi. To prepare a regular (annual) report on the activity conducted according to its duties, report which will also include the recommendations made and addressed to the Supervisory Board with respect to the internal control, internal audit and financial audit. The annual report shall be provided to F.S.A. within six months as of the end of the financial year, and, any time necessary, reports which are subject to the approval/information of the Supervisory Board and notification of the Executive Board and Compliance Officer;

2.2.6.2. Risk Committee

The Risk Committee consists of at least two members of the Supervisory Board appointed by the latter.

One of the members of the Risk Committee is appointed by the Supervisory Board as Chairman of the Risk Committee. Most members of the Risk Committee will be independent members.

The Risk Committee revises, reports to, provides advice and support to the Supervisory Board for the purpose of complying with its tasks and responsibilities, in accordance with the provisions of the valid laws, Articles of Incorporation of the Company and Corporate Governance Code. Moreover, upon the express request of the Supervisory Board, it may also fulfil other tasks.

The Risk Committee's **main duties** are:

i. To analyse and make recommendations regarding the implementation of the main internal procedures, internal rules, investment / disinvestment and portfolio risk management policies and strategies;
ii. To conduct a regular assessment of the risk management system, based on the quarterly risk assessment reports, and to make proposals for its improvement;
iii. Any other matters for which the Audit Committee is responsible according to the law, the Company's articles of incorporation and Code of Corporate Governance or upon the express request of the Supervisory Board.

The Risk Committee has the following **main responsibilities**:

i. To make recommendations to the Supervisory Board as concerns its responsibility to approve the Company's risk appetite and risk tolerance limits;
ii. To monitor the risk management activity carried out by the Company and to make recommendations to improve it;
iii. To inform the Supervisory Board on a regular basis with respect to the status of significant risks, including to the Company's actions, in view of managing such risks.

The Risk Committee shall submit reports and recommendations to the Supervisory Board for approval/information whenever necessary.

2.2.6.3. Remuneration Committee

The Remuneration Committee consists of at least two members of the Supervisory Board. One of the members of the Remuneration Committee is appointed by the Supervisory Board as Chairman of the Committee.

At least one member of the Remuneration Committee must be an independent member of the Supervisory Board.

The Remuneration Committee shall provide advice and support to the Supervisory Board for the purpose of complying with its tasks and responsibilities regarding the remuneration policy and any other prerogatives established by the Board, in accordance with the provisions of the valid laws, Articles of Incorporation of the Company and Corporate Governance Code.

The Remuneration Committee's **main duties** are:

i. To revise, report, advise, prepare the decisions regarding remuneration, assist the Supervisory Board in fulfilling their tasks and responsibilities regarding the remuneration policy, and to monitor/supervise the remunerations of the members of the Supervisory Board;
ii. To assess, on annual basis, the performances of the members of the Executive Board and of the persons who hold key positions, and to draw-up proposals for the Supervisory Board regarding the variable remuneration of each member of the Executive Board or of the key persons. In order to support the decision to grant a variable remuneration, the Committee shall issue an opinion based on a substantiated analysis.
iii. To examine and make proposals to the Supervisory Board with respect to the Company's total annual variable remuneration package within the company, according to the Remuneration Policy;
iv. To examine and make proposals to the Supervisory Board (and, by means of the Board, to the General Meeting of Shareholders, where applicable) with respect to share redemption programs;
v. To propose performance objectives for granting cash remunerations which are given based on such objectives, or to propose objectives for granting shares within Stock Option Plan (S.O.P.) programs;
vi. To make regular proposals concerning the adjustment of remuneration and other remuneration elements, including compensation payments and pension plans;
vii. To make proposals to the Supervisory Board with respect to any remuneration related policy;
viii. To monitor the implementation of the remuneration policy within the Company.
ix. To revise, provide advice, prepare the decisions regarding the remuneration.
x. To assist the Supervisory Board in complying with its tasks and responsibilities regarding the remuneration policy.
xi. To conduct investigations and to issue recommendations to the Board, upon its request.
xii. To review and establish the basic fixed remuneration of the Executive Board in a manner which is consistent with the business strategy and long-term objectives and interests, and which includes actions for preventing conflicts of interest;

xiii. To monitor and supervise the variable remunerations of the Executive Board and persons occupying key positions, according to the applicable regulations;
xiv. Any other matters which the Remuneration Committee is responsible for according to the law, the Company's articles of incorporation and Code of Corporate Governance or upon the express request of the Supervisory Board.

2.2.6.4. Nomination Committee

The Nomination Committee consists of at least two members of the Supervisory Board. One of the members of the Nomination Committee is appointed by the Supervisory Board as Chairman of the Committee. The majority of the members of the Remuneration Committee should be independent members of the Supervisory Board.

The main mission of the Nomination Committee is to evaluate, select and nominate the members of the management structure and of the persons holding key positions within the Company, and to assist the Supervisory Board in fulfilling its tasks and responsibilities, in accordance with the provisions of the valid laws, Articles of Incorporation of the Company and Corporate Governance Code. Moreover, upon the express request of the Supervisory Board, it may also fulfil other tasks.

The specific **main duties** of the Nomination Committee are:

i. To prepare a policy for the evaluation and selection of candidates for the Supervisory Board, including the criteria for evaluating their independence, for the appointment of provisional members of the Supervisory Board and for the appointment of members of the Executive Board and of the persons holding key positions, so as to ensure compliance with the applicable legal provisions of the Articles of Incorporation of the Company, a policy which shall be subject to the approval by the Supervisory Board;
ii. To adequately apply and deploy the approved selection and evaluation policy;
iii. To make recommendations concerning the nomination of candidates to the Supervisory Board, the filling in of positions by provisional members in the Supervisory Board and by members of the Executive Board, in compliance with the applicable laws;
iv. Any other duties for which the Nomination Committee is responsible according to the applicable legal provisions, the Code of Corporate Governance or upon the express request of the Supervisory Board.

The Nomination Committee has the following **main responsibilities**:

i. To nominate members of the Executive Board.
ii. To prepare and recommend guidelines for the selection of provisional members of the Supervisory Board, including the criteria for evaluating their independence;
iii. To prepare, on a regular basis, the evaluation of the performance of the members of the Supervisory Board, Executive Board and key function holders by using a self-evaluation/evaluation process according to the provisions of F.S.A. Regulation no. 1/2019;
iv. To assess, at least once a year, the independence of the members of the Supervisory Board;
v. To evaluate the fulfilment by the members of the Supervisory Board, Executive Board, provisional members of the Supervisory Board and key function holders of the specific

criteria set forth under the capital market regulations, in view of their approval by F.S.A., and to monitor the fulfilment of such criteria during the exercise of their function, in compliance with the applicable F.S.A. regulations and the Procedure for assessing the prior and continous adequacy of the members of the management structure and persons holding key positions;

vi. To submit reports to the Supervisory Board for approval/information whenever necessary.

2.2.6.5. Functioning of the Advisory Committees of the Supervisory Board

The Audit Committee shall meet any time necessary, but at least on a quarterly basis, in order to review the audit report and/or the opinion of the financial auditor with regard to the essential aspects which result from the financial auditing, and also with regard to the financial reporting process, and it shall recommend the necessary measures.
The Risk Committee shall meet at any time necessary, at least on a quarterly basis.
The Remuneration Committee shall meet at any time necessary, at least on an annual basis.
The Nomination Committee shall meet at any time necessary, at least on an annual basis.

The meetings of the Advisory Committees shall be summoned by the Chairman of each Committee. The Committees shall meet upon request of two members of the respective Committee.

The notice to attend the meetings of the Committees shall contain the venue, date and time of the meeting and the agenda. The notice to attend shall be sent to each member of the Committee and to any other person whose participation is required, well in advance of the date of the meeting. In order to streamline the organisation of the meetings, they may be held at any time, including on the day before or on the day on which a meeting of the Supervisory Board is summoned. Information materials shall be provided to the members of the Committee and other participants, as appropriate, within the same timeframe. The documents shall be sent via e-mail.

The Chairman of the Committee shall ensure the effective exercise of the tasks of the Committee.

The meetings of the Committee shall be organised prior to debating the issues within the competence of this Committee and on the agenda of the Supervisory Board in order to allow timely preparation of the reports for the Board.

The Committee may also meet via videoconference or teleconference, if the Chairman of the Committee decides in this respect. Moreover, the Chairman may request to the Committee to adopt recommendations regarding certain documents by means of email, fax or letter exchange.

The quorum condition shall be considered complied with, and the Committee validly meets when at least two members attend. Participation of one member in a meeting via video or audio means shall be considered valid for the purpose of determining the quorum.

Votes cast in writing, including by electronic correspondence, shall be sent to the Secretary of the Board, or to the person appointed to carry out the secretariate activity, who shall inform all members of the Board about the decision taken. In case of a tie, the decisive vote shall belong to the Chairman of the Committee. In case the Chairman of the Committee does not attend the vote casting and it is a tie, the recommendation shall be considered dismissed.

Each Committee shall prepare reports and recommendations for the Supervisory Board and it shall usually submit them before the meetings of the Board or, as the case may be, during such meetings.

The Secretary of the Committee shall draw up the minutes of the meetings and the adopted recommendations, including lists of participants. The Secretary shall make the minutes available to each member of the Committee shortly after closing the meeting. The minutes shall be sent by e-mail in ".pdf" format to the members of the Committee to the e-mail addresses assigned on the server of the company.

The Secretary of the Committee shall be responsible for signing the minutes, keeping the records of all the documents of the Committee, and submitting the recommendations and reports of the Committee to the Supervisory Board at the time of their preparation.

2.3. Executive Board

The members of the Executive Board ensure the effective management of the company, and, for this purpose, they take all actions and measures necessary and useful in view of achieving the Company's scope of business, except for those reserved by law for the Supervisory Board and the General Meeting of Shareholders.

The Executive Board members should meet both the requirements set forth under the law and those referring to professional competence, relevant experience, integrity, good reputation and governance, as defined under the applicable F.S.A. regulations and included in the Procedure for assessing prior and continuous adequacy of members of the management structures and persons holding key positions within Transilvania Investments, according to the provisions of F.S.A. Regulation no. 1/2019.

While fulfilling with their professional duties, the members of the Executive Board shall comply at any time during their activity with the rules of ethics and conduct, and also the prudential rules as they are set forth in Chapter 2.2 of this Regulation.

2.3.1. Executive Board Members

The Executive Board of Transilvania Investments consists of three members appointed by the Supervisory Board, upon the recommendation of the Nomination Committee. As further established by the Supervisory Board, one of such members shall be appointed as Executive President, and the other two members shall be appointed as Executive Vice-Presidents. The members of the Executive Board are subject to the approval of the Financial Supervisory Authority prior to fulfilling their duties.

The members of the Executive Board are appointed for a 4-year term and may be reappointed for further 4-year terms.

The activity carried out by the members of the Executive Board, as well as the existing relationship between them and the Company, are governed by an mandate contract signed on behalf of the Company by a member of the Supervisory Board appointed for this purpose by the latter.

The members of the Executive Board may be dismissed at any time by the Supervisory Board. If such dismissal occurs in the absence of justified grounds, they are entitled to damages established based on the mandate contract concluded by them with the company.

In view of enforcing the Executive Board's decisions and achieving the specific goals set, the members of the Executive Board coordinate the activity of the Company's departments as follows:

- Executive President - coordinates the activity of the following organisational structures: Executive President's Office, Private Equity Department, Analysis Department, Corporate Governance Department and Administrative Department;
- Executive Vice-President - coordinates the activity of the Trading Department;
- Executive Vice-President - coordinates the activity of the following organisational structures: Shareholding Monitoring, Finance and IT Departments.

In addition, the Evaluation Department reports directly to the Executive Board.

In relations with third parties, the Company is represented by the President of the Executive Board or by any other member of the Executive Board appointed for this purpose.

2.3.2. Nomination of Executive Board members

The Executive Board members are nominated by the Nomination Committee of the Supervisory Board, in compliance with the Organization and Operation Regulation of the Supervisory Board and the Procedure for assessing the adequacy of members of the management structures and persons holding key positions within Transilvania Investments.

The Executive Board members shall meet, at the time of their nomination and during their entire term of office, the legal requirements, as well as those referring to professional competence, relevant experience, integrity, good repute and governance, as defined under the applicable F.S.A. regulations and included in the Procedure for assessing the prior and continuous adequacy of members of the management structures and persons holding key positions within Transilvania Investments.

The members of the Executive Board may be dismissed at any time by the Supervisory Board. If such dismissal occurs in the absence of justified grounds, the members of the Executive Board shall be entitled to damages established based on the mandate contract concluded by them with the Company.

2.3.3. Responsibilities of the Executive Board

The duties of the Executive Board include, but are not limited to the following **responsibilities**:

- ✓ It is responsible for the proper management and adequate conduct of the Company's business, including for the implementation of policies and achievement of objectives;
- ✓ It is responsible for the implementation of the general investment policy;
- ✓ It supervises the approval of the investment strategies;
- ✓ It is responsible for ensuring that assessment policies and procedures are in place and applied in compliance with the law;

- ✓ It is responsible for ensuring that Transilvania Investments has a permanent and efficient compliance control function;
- ✓ It makes sure and checks on a regular basis whether the general investment policy, the investment strategies and risk limits are duly and efficiently applied and observed;
- ✓ It approves and regularly examines the adequacy of the internal procedures concerning the adoption of investment decisions in order to make sure that such decisions are in line with the approved investment strategies;
- ✓ It examines and approves on an annual basis the risk management policy and its implementing actions, procedures and methods, including the risk limit system; the same will also be further approved by the Supervisory Board;
- ✓ It evaluates, monitors and, at least once a year, reviews the risk management systems in compliance with the provisions of Regulation (EU) No. 231/2013;
- ✓ It represents the Company in its relations with third parties;
- ✓ It ensures the current performance of the Company's day-to-day business for the purpose of implementing the decisions adopted by the General Meeting of Shareholders and/or the Supervisory Board;
- ✓ It submits to the General Meeting of Shareholders for approval the annual activity report of the Company, the financial statements for the previous year, as well as the Draft Business Plan and the Draft Revenue and Expenditure Budget; for this purpose, it refers to the Supervisory Board the Annual Financial Statements and its Annual Report for approval;
- ✓ It provides the internal auditor and the statutory auditor with the Annual Financial Statements for the previous financial year, accompanied by the Report and supporting documents;
- ✓ It makes all the efforts to achieve the Company's Revenue and Expenditure Budget;
- ✓ It manages the assets of the Company, and it is liable for such management before the General Meeting of Shareholders and the Supervisory Board;
- ✓ It defines, in compliance with the legal provisions, the method of calculating the depreciation of the tangible and intangible assets of the Company and submits it to the Supervisory Board for approval;
- ✓ It provides the Supervisory Board with qualitative and quantitative information in a timely manner, at the Supervisory Board request or at its own initiative, upon the effective and efficient fulfilment of its duties;
- ✓ It delivers to the Supervisory Board the written report on the Company's management, on a quarterly basis or at any time as required by the Supervisory Board, including financial information and, upon the Board's request, any data and information regarding the Company's activity;
- ✓ It defines the Company's development strategy and policies, including the organizational chart, it approves the work policies and procedures, number and type of job positions and the Internal Regulations;
- ✓ It approves the execution of any transactions which are binding upon the company and whose value does not exceed the equivalent in RON of EUR 5,000,000/transaction. For transactions

exceeding the threshold of EUR 5,000,000, it is required to obtain the Supervisory Board's endorsement, including by electronic vote;

- ✓ It fulfils any other duties in relation to the Company's day-to-day business, in compliance with the Company's business principles, which are not the responsibility of the General Meeting of Shareholders and of the Supervisory Board;
- ✓ It convenes the General Meeting of Shareholders whenever necessary or upon the request of the entitled persons;
- ✓ It is responsible for implementing the remuneration policies and practices and for preventing and managing any relevant risks which may be generated by such remuneration policies and practices;
- ✓ It ensures and is liable for the existence of the records required by law and their accurate keeping;
- ✓ It is liable for the completeness and accuracy of reports and other notifications regarding the company's business and financial condition, according to the applicable relevant laws;
- ✓ It permanently monitors the fulfilment by the compliance officer and the risk management department staff of the assessment criteria based on which they were approved by F.S.A., during the entire time of their employment, in compliance with the applicable F.S.A. regulations and the Procedure regarding the assessment of prior and continuous adequacy of members of the management structures and persons holding key function within Transilvania Investments;
- ✓ It is responsible for complying with the professional and ethical standards in order to prevent conflicts of interest, acting with due care and dealing honestly;
- ✓ It is responsible for eliminating or mitigating the effects of any conflicts of interests;
- ✓ It conducts a biannual assessment, together with the Supervisory Board, of the business continuity and disaster recovery plans.

2.3.4. Remuneration of Executive Board Members

In compliance with the provisions of the Articles of Incorporation and the remuneration policy of Transilvania Investments subject to the approval of the shareholders of the Company, the remuneration structure of the members of the Executive Board is as follows:

- ✓ <u>Fixed remuneration</u>: It is a monthly remuneration which rewards the activity carried out by the members of the Executive Board while fulfilling the specific duties related to the management of the Company. The monthly remuneration limits for the members of the Executive Board, as set out in the Remuneration Policy of the company, approved by the General Meeting of Shareholders, are as follows: between 3 and 6 gross average salaries per company for the Executive President and between 2.5 and 5 gross average salaries per company for the Executive Vice-Presidents. The average gross salary per company, based on which the remuneration of the members of the Executive Board is calculated, is the one recorded in December 2023. The actual level of the remuneration is established under the mandate contracts.

Variable remuneration: Variable remuneration is the form of payment or additional indemnity paid by the Company by considering qualitative and quantitative performance criteria provided in the Remuneration Policy of the company.

The variable remuneration consists of shares issued by Transilvania Investments, redeemed by the latter within the redemption programs approved by the Company's shareholders in order to implement the Stock Option Plan programs, in compliance with the legal provisions on variable remuneration within A.I.F.M.

2.3.5. Operation of the Executive Board

The Executive Board shall meet as a rule once a week and whenever necessary when convened by the President of the Executive Board or at the reasoned request of two members of the Executive Board. In the event of the physical or legal impossibility of the Executive President, the meetings of the Executive Board shall be summoned by their substitute.

The notice to attend the meeting of the Executive Board shall contain information on the date and time of the meeting, the venue and the agenda. The meetings of the Executive Board may also take place via teleconference or by other means of remote communication, and the participation in such meeting is considered participation in person, for the purpose of complying with the requirements concerning the quorum and the voting conditions.

The meetings of the Executive Board shall be held in Romanian.

The secretarial work of the meetings of the Executive Board shall be carried out by the Secretariate of the Executive Board or by the person designated for this purpose by the President of the Executive Board.

The internal auditor, the compliance officer, the risk manager and the heads of departments may be invited to the meetings of the Executive Board without the right to vote. The Executive Board may also invite, without voting right, depending on the issues under discussion, persons whose presence may contribute to the smooth running of the activity (members of the Supervisory Board, consultants, analysts, partners, etc.).

The decisions of the Executive Board shall be valid if at least two members of the Executive Board attend or are represented and are approved by a majority of the votes of the members attending or represented at the meeting.

The Executive Board may adopt decisions concerning the activity of the Company, outside the meetings of the Executive Board, by signature by all members of the Executive Board of the document binding the Company or the note/document underlying the address binding the Company.

If the nature of the situation so requires, the Executive Board may adopt operational decisions based on the unanimous agreement of its members, without gathering in a meeting and drafting the minutes, except for investment and portfolio management decisions concerning companies in which Transilvania Investments holds a controlling interest. This procedure does not apply to decisions on the annual financial statements.

The materials to be debated by the Executive Board shall be drawn up by the functional departments of the Company in the form of notes which shall be sent to the Secretariate of the Executive Board, which shall forward them to the members of the Executive Board and to the persons invited to the meeting of the Executive Board without the right to vote.

The debates during the meetings of the Executive Board shall be recorded in the meeting minutes which shall be signed, electronically or in writing, by the members of the Executive Board and the Secretariate.

The Secretary of the Executive Board shall send the decisions of the Executive Board and the minutes excerpts to the interested internal organisational structures and to the persons who are responsible for enforcing the measures set forth under such decisions.

The heads of the internal organisational structures and persons responsible for implementing the measures ordered by the Executive Board shall present through a written report the manner in which the measures have been implemented, as a rule in the Monthly Activity Report or in any other way if the nature of the situation so requires.

The Executive Board shall regularly provide the Supervisory Board - at least on a quarterly basis, or upon request - with a written report on the management of the company (i.e. the execution of its mandate), the activity of the company (i.e. significant changes in the business situation and in external aspects that could affect the performance of the company) and the possible development of the company (i.e. the strategic prospects of the company). The Executive Board is also required to respond to any correspondence/requests for information from members of the Supervisory Board.

The materials submitted by the Company, through the Executive Board, to the Supervisory Board, fall into three categories:

- materials containing a request for approval of operations necessary for the fulfilment of the business object. Such materials shall be previously approved/endorsed by the Executive Board;
- materials subject to the opinion of the Supervisory Board;
- informative material related to the activity of the company.

The notes subject to the approval, endorsement or information of the Supervisory Board shall be forwarded together with the excerpts from the meeting minutes of the Executive Board by the Secretary of the Executive Board to the Secretariate of the Supervisory Board.

The Executive Board shall send to the Supervisory Board members the minutes of the Executive Board meetings held during one month, within a maximum of 5 business days of the following month.

3. COMPLIANCE, RISK MANAGEMENT AND COMPANY AUDITORS

3. 1. Compliance

From a functional and hierarchical perspective, the compliance function is independent from the other organisational structures of the company and is fulfilled by the Compliance Department, through the compliance officer, which reports directly to the Supervisory Board. The Compliance Officer is subject to the approval of the Financial Supervisory Authority prior to starting to fulfil their duties.

The compliance officer of Transilvania Investments also has responsibilities concerning the fulfilment of the Company's obligations in respect to the enforcement of the specific laws on preventing and combating money laundering and terrorism financing, and the enforcement of the international sanctions by means of the capital market.

The **goal** of the Compliance Department is to monitor and control the compliance by the Company and its employees with the applicable legal regulations and internal procedures so as to prevent the occurrence of events of legal and internal non-compliance.

The main **duties** of the Compliance Department are:

- ✓ To monitor and assess on a regular basis the adequacy and efficiency of the actions, policies and procedures implemented by the Company in compliance with the applicable regulations, as well as the actions taken for settling any events of default by the Company, acting as an A.I.F.M.;
- ✓ To make all efforts to prevent and to propose actions for remedying any breaches of the applicable capital market laws and regulations or of the internal procedures of the Company;
- ✓ To advise and assist the relevant persons responsible for taking any actions in view of ensuring compliance with the requirements imposed on the Company under the applicable regulations, including those referring to A.I.F.M. (e.g. implementation of solid administrative and accounting procedures and data protection controls and safeguards, checking employees' personal transactions, ensuring that the Company's transactions are traceable in terms of origin, parties, nature, time and place of execution, investment of Company assets in compliance with the legal regulations and the investment strategy approved by the General Meeting of Shareholders, etc.);
- ✓ To ensure that the Company and its employees are informed on the legal regime applicable to the capital market;
- ✓ To endorse the documents delivered by the Company to F.S.A. for the purposes of obtaining the authorizations set out under the F.S.A. regulations and to make sure that the reports which must be sent by the Company to F.S.A. and the capital market entities are delivered within the statutory time-limit, as set forth under the applicable regulations;
- ✓ To analyse and endorse the Company's information/advertising materials;
- ✓ To keep in direct contact with F.S.A., having access to any communication of the Supervisory Board and the Executive Board addressed to F.S.A.;
- ✓ To monitor and verify on a regular basis whether the legal regulations to which the Company's business is subject and the internal rules and procedures are enforced, and to keep track of the identified irregularities; in this respect, the Compliance Department manages a register with the investigations performed, the duration of such investigations, the period which they refer to, the result of investigations, the proposals submitted in writing to the Supervisory Board and Executive Board of Transilvania Investments, and the decisions taken by the persons in charge of taking settlement measures;
- ✓ To verify whether the prudential regulations are complied with;
- ✓ To verify whether the assets are correctly separated on entities under management;
- ✓ To examine the efficiency of the information system and internal procedures;

- ✓ To take actions aimed at preventing conflicts of interest and, in the event of occurrence of any conflicts of interests, to monitor the way they are settled and, if applicable, in the event of non-compliance/infringement of the legal regulations, to immediately inform the Supervisory Board and the Executive Board; the Compliance Department manages the Register of Conflicts of Interest of the company which contains the identified/declared conflicts of interests and how they were settled;
- ✓ To ensure that persons with managerial prerogatives within the Company and persons in close relations with them are aware of the legal provisions on market abuse and the obligations imposed on them by law; the Compliance Department draws up and updates the List of persons with managerial prerogatives and persons in close relations with them;
- ✓ To make sure that the Company takes actions to prevent fraudulent practices and market abuse, including by verifying personal transactions with Company shares and/or other financial instruments which the Company intends to trade/has already traded; the Compliance Department prepares and updates the List of persons with access to privileged information in relation to the Company, which is provided to F.S.A. upon its request;
- ✓ to coordinate and verify the compliance of the Company with the legal provisions on the prevention of money laundering and financing of terrorist acts, and to act as the liaison person of the Company in relation with the National Office for the Prevention and Combating of Money Laundering and the Financial Supervisory Authority in respect to these issues;
- ✓ To coordinate and verify compliance with the regulatory framework specific to international capital market sanctions within Transilvania Investments;
- ✓ To monitor compliance with the protection of the interests and rights of all shareholders, as well as the manner of solving the complaints and petitions submitted by them, in accordance with the legal provisions; the Compliance Department manages the sole register of petitions and periodically reports to F.S.A. on the status of petitions registered and settled by the Company;
- ✓ To verify the compliance by the Company with the corporate governance rules established by the legal provisions and/or undertaken by the Company based on the conventions/codes to which the Company has adhered and its own corporate governance regulation.

3.2. Risk management

The risk management function is directly subordinated to the Supervisory Board, and it is functionally and hierarchically independent from the other organisational structures of Transilvania Investments.

The risk management function is carried out by the Risk Management Compartment. The way in which the risk management function is performed is regularly examined by the internal auditor. The Risk Manager is subject to the approval of the Financial Supervisory Authority prior to starting to fulfil their duties.

The **main duties** of the Risk Management Compartment are:

- ✓ To propose and implement the risk management policy and strategy, as well as efficient risk management procedures, models, processes and actions in view of identifying, measuring, managing and permanently monitoring all risks relevant for the investment strategy to which Transilvania Investments is or may be exposed;

- ✓ To make sure that the risk profile of Transilvania Investments reported to the shareholders falls within the quantitative and qualitative risk limits, as defined for each and every risk;
- ✓ To monitor whether the risk limits are complied with and to notify the Executive Board and Supervisory Board of Transilvania Investments in a timely manner if it is considered that the risk profile of the Company is not consistent with such limits or there is a significant risk that the risk profile become non-compliant with such limits;
- ✓ To apply the leverage calculation procedure and to monitor whether the exposure falls within the limits set out under the risk management policy, if applicable;
- ✓ To permanently identify and quantify risks in order to assess their impact;
- ✓ To deliver quarterly reports to the Executive Board and Supervisory Board of Transilvania Investments, including updated information referring to the following matters:
    - o Compliance with the risk profile of Transilvania Investments reported to its shareholders, risk limits and consistency between such limits;
    - o Compliance with the prudential risk management regulations, indicating, in particular, whether or not appropriate corrective actions were taken for any existing or potential deficiencies;
- ✓ To deliver quarterly reports to the Executive Board and Supervisory Board, including updated information concerning the current level of risks to which the company is exposed, as well as any existing or predictable exceeding of the risk limits, in order to make sure that rapid and appropriate actions may be taken.

3.3. Company's Auditors

3.3.1. Internal Auditor

The internal audit function at Transilvania Investments is separate and independent from other Company functions and activities, the internal audit activity being carried out by an auditor - individual or legal entity, based on a service contract.

The internal audit activity is subordinated to the Supervisory Board.

The Internal Auditor is selected by the Audit Committee and appointed by the Supervisory Board. The internal auditor is notified to F.S.A. at least fifteen business days prior to commencing to fulfil the tasks.

The **goals** of the internal audit are:

- ✓ To define, implement and maintain an audit plan for examining and assessing the adequacy and efficiency of the internal control systems and mechanisms and A.I.F.M. procedures;
- ✓ To verify whether the activities carried out within the Company are in line with its policies, programs and management, in compliance with the legal provisions;

- ✓ To assess the adequacy and application of the financial and nonfinancial controls defined and implemented by the Company's management for the purposes of increasing operational efficiency;
- ✓ To assess the adequacy of the financial and nonfinancial data/information delivered to the Company's management in view of providing an accurate image of the company's state of affairs;
- ✓ To protect on-balance sheet and off-balance sheet assets and to identify ways to prevent fraud;
- ✓ To examine on a regular basis the fulfilment of the risk management function;
- ✓ To contribute to the improvement of the risk management, control and governance processes;
- ✓ To assist the Company in ensuring the reliability of the financial and nonfinancial information used for internal and external purposes, in compliance with the applicable specific laws and the internal decisions of Transilvania Investments;
- ✓ To submit to the Supervisory Board for approval the Annual Internal Audit Plan;
- ✓ To perform the missions detailed in the Annual Internal Audit Plan and to report at the end of each mission any internal audit issues and the adequacy of the actions taken to remedy such potential deficiencies;
- ✓ To make recommendations based on the results of the conducted activity and to verify whether the company followed such recommendations;
- ✓ To permanently coordinate its activity with that of the financial auditor in order to ensure proper fulfilment of the audit objectives;
- ✓ To deliver a report, within 60 days as of the end of the year, to the Supervisory Board on the purpose of the audit, the authority, responsibility and functioning of the internal audit activity, by reference to the Annual Internal Audit Plan approved for the financial year ended.

3.3.2. Financial Auditor

The financial statements of the Company are audited, according to the law, by an external financial auditor (either an individual or a legal entity), that is a member of the Romanian Chamber of Financial Auditors, appointed by the General Meeting of Shareholders and acting based on a services agreement approved by the Executive Board, with the endorsement of the Supervisory Board. The Audit Committee is responsible for maintaining the relationship between the Company and the financial auditor.

4. HOLDERS OF SHARES

4.1. Shareholders

The shares issued by the Company are registered, indivisible, dematerialized and freely transferable, traded on the Bucharest Stock Exchange (B.S.E.), under the symbol **TRANSI**. The shares are issued at a nominal value of RON 0.10/share. Each share held gives the right for one vote within the general meetings of shareholders.

The shares are held by both Romanian and foreign individuals and legal entities. The Company's shareholders registry is kept by Depozitarul Central S.A. based on an agreement concluded therewith and in compliance with the legal provisions.

Upon acquiring, by any means, shares in the Company, shareholders are required to unreservedly adhere to the Company's Articles of Incorporation effective as at the date of such acquiring.

In accordance with the legal provisions, in case a shareholder acquires or sells shares issued by the Company, they shall notify the company with regard to the percentage of voting rights which they hold as a result of the concerned acquisition or sale, when the concerned percentage reaches, exceed or decreases below 5%, 10%, 15%, 20%, 25%, 33%, 50% and 75% threshold. Within three business days as of receiving the notification, the Company shall post on their website the notifications received from shareholders.

4.2. Shareholders' rights

Transilvania Investments, as a company listed on the Bucharest Stock Exchange and, at the same time, as a company authorized, regulated and supervised by the Financial Supervisory Authority, is strongly committed to respecting the rights of and ensuring fair treatment for its shareholders. The Company makes all efforts to ensure an efficient, active and transparent communication with its shareholders and to protect their interests.

The fundamental rights of the shareholders are those defined under the Romanian capital market legislation and the relevant European regulations, as well as the Company's Code of Corporate Governance, i.e.: the right to attend and vote in the general meetings of shareholders, the right to have access to sufficient information on the matters submitted to the general meeting for approval, the right to direct questions concerning the items on the agenda of the general meeting, the right to request the convening of the general meeting of shareholders under the conditions provided for by law, the right to add items on the agenda of the general meeting, the right to submit draft resolutions for items included/proposed to be included on the agenda of the general meeting, the right to dividends and the right to be informed with respect to the company (the regular and continuous information set forth under the capital market laws).

The internal work procedures define the actions taken by the Company to ensure the enforcement of the abovementioned shareholder rights.

If the shareholders claim any infringement of their rights, the Company undertakes to make all efforts to expediently and efficiently settle such matter and to ensure that the shareholders are treated in a professional, correct and non-discriminatory manner. For this purpose, the Company has made available to its shareholders on its website www.transilvaniainvestments.ro, under the section *Investor Relations,* the claim filing and settlement procedure and the related online filing form.

4.2.1. Shareholders' rights within the general meetings of shareholders

Transilvania Investments encourages shareholders to attend the general meetings and makes all efforts to facilitate such attendance and the full exercising of their rights.

The rights of Transilvania Investments' shareholders with respect to the general meeting of shareholders are those provided for by the applicable legal regulations, i.e. Law no. 31/1990 on trading companies, Law no. 297/2004 on the capital market, Law no. 24/2017 on issuers of financial instruments and market transactions, and the applicable F.S.A. regulations. Therefore, the shareholders have, among others, the right to attend and vote in the general meetings of shareholders and to have access to sufficient information on the matters submitted to the general meeting for debate.

The general meetings of shareholders are convened by the Executive Board and are held within no less than 30 days as of the publication of the meeting convening notice in the Official Gazette of Romania, Part IV. The convening notice is sent to B.S.E. and F.S.A. and published in the Official Gazette of Romania, Part IV, in a national newspaper and in a newspaper from Brasov and posted on the Compnay's website.

The shareholders registered in the shareholders' registry as at the reference date mentioned in the meeting's convening notice are entitled to attend and vote in the general meetings of shareholders.

Each share held gives the right for one vote within the general meetings of shareholders.

The shareholders may attend a general meeting in person or by representative, based on a special or general power of attorney, or may vote by correspondence, including by electronic means, by complying with the applicable laws.

The Executive Board posts on the Company's website the procedure for voting by correspondence. The meeting's convening notice includes detailed information on the availability of special power of attorney forms and ballots for voting by correspondence forms, as well as the deadline up to which the same may be sent / submitted at the Company's head office.

One or more shareholders representing, individually or jointly, at least 5% of the share capital is/are entitled:

1) to include items on the agenda of the general meeting, provided that each item is accompanied by a justification or by a draft resolution proposed to be adopted by the general meeting; and
2) to submit draft resolutions for the items included or proposed to be included on the agenda of the general meeting.

In addition, the shareholders are entitled to ask questions concerning the items on the agenda of the general meeting. The date up to which the shareholders may exercise their rights, as described above, is indicated in the meeting's convening notice.

The documents related to the matters included on the agenda of the general meetings are made available to the shareholders at the company's head office and on its website, no less than 30 days prior to the meeting's date. The shareholders may obtain at the company's head office, upon request and against payment, copies of such documents or they may consult the same by visiting the Company's website.

Within 24 hours as of the date of the general meeting of shareholders, the Company sends to B.S.E. and F.S.A. a current report on the decisions adopted by the shareholders. The G.M.S.'s resolutions are published in the Official Gazette of Romania, Part IV and posted on the Company's website.

4.2.2. Shareholders' right to dividends

If the general meeting of shareholders approves the distribution of dividends from the Company's net profit, the shareholders entitled to receive dividends are the shareholders registered in the shareholders' registry as at the registration date approved by the same general meeting that approves the distribution and value of the dividends.

The Company publishes in the newspapers and on its website a press release regarding the value of the gross dividend per share, the date on which the dividends are to be paid ("payment date") and their payment means.

The Company calculates and withholds the dividend tax owed by shareholders, at the rates provided by the legislation in force on the date of payment, a tax that it declares and transfers to the state budget.

In accordance with the legal provisions, the dividends shall be paid via Depozitarul Central, the Participants in the compensation-settlement and register system (intermediaries, in accordance with Article 2, paragraph (1), section 20 of Law no. 24/2017, who have concluded an agreement for participating in the Depozitarul Central's system) and the paying agent selected by the Company.

4.3. Communication with shareholders and other interested parties

4.3.1. General Principles

As a company authorised, regulated and supervised by the Financial Supervisory Authority (F.S.A.), Transilvania Investments shall communicate with the interested parties based on a communication strategy that complies with at least the following requirements:

- Ensures a fair treatment for shareholders and interested parties,
- Communicates information in a timely manner and
- Ensures a transparent communication framework.

Moreover, as a company whose shares are traded under the Premium category on the Bucharest Stock Exchange, Transilvania Investments shall comply with the requirements of the B.S.E. Code - Market Operator with respect to the supply of information, as well as with the provisions of B.S.E.'s Code of Corporate Governance in terms of the Company's relations with shareholders/investors.

4.3.2. Purpose and objectives of the communication strategy

The purpose of the communication strategy is to provide company related information to interested parties so as to meet the communication requirements set forth under the national and EU regulations, as well as to increase the Company's image and presence on the Romanian and foreign capital markets and the confidence of the interested parties.

4.3.3. Target groups

Transilvania Investments mainly addresses to the following categories of interested parties:

- Company's shareholders and potential investors;
- Portfolio companies;
- Capital market institutions and public institutions;
- Mass media;
- Company's employees (internal communication).

4.3.4. Communication with shareholders and potential investors

Transilvania Investments aims at developing an efficient communication system so as to ensure fair access by the shareholders of the company and potential investors to exact, accurate and sufficient information in relation to the business and performance of the Company.

Communication channels and instruments

a) Transilvania Investments makes available to its shareholders and potential investors on its website www.transilvaniainvestments.ro, both in Romanian and English, the following **regular information**:

- The financial reporting calendar which includes the calendar dates set for the publication of the preliminary annual financial statements, the date of the general meeting of shareholders for the approval of the annual financial statements, the dates for the publication of the quarterly, biannual and annual financial reports, and the dates of the meetings organized by the company for the presentation of the financial results; publication deadline: no more than 30 days as of the end of a financial year, but no later than the commencement date of a closed period (30 days prior to publishing a year-end financial report/interim financial reports);
- Preliminary financial statements, namely the statement of financial position and the statement of comprehensive income as at the 31st of December; publication deadline: no more than 45 days as of the end of the previous financial year;
- Quarterly, biannual and annual financial reports, including the financial statements prepared in compliance with the International Financial Reporting Standards (IFRS), with the specification that the annual financial statements are audited by the company's financial auditor; publication deadlines: annual report - no more than 4 months as of the end of the financial year, biannual report - no more than 2 days as of the end of the six-month period, and quarterly reports – no more than 45 days as of the end of the reporting period. The content of the financial reports is that defined in the legal regulations applicable to Transilvania Investments. The regular reports are made available to the shareholders and potential investors on the company's website www.transilvaniainvestments.ro, under section *Investor relations/Regular reports*, and at the company's head office in Brașov, str. Nicolae Iorga nr. 2;
- Press releases regarding the availability of the quarterly, biannual and annual financial reports, which are published in at least one national newspaper and on the company's website;

- Monthly reports regarding NAV and NAVPS - net asset value (Annex no. 10 to F.S.A. Regulation no. 7/2020) shall be published on a monthly basis, within 15 days as of the end of the reporting period;
- Detailed statement of portfolio investments (Annex no. 11 to F.S.A. Regulation no. 7/2020) which shall be published on a quarterly, semi-annual and annual basis, within the deadlines set by the applicable legislation for the publication of quarterly, semi-annual and annual reports, the detailed statement of investments.

b) Transilvania Investments makes available to its shareholders and potential investors on its website www.transilvaniainvestments.ro, in Romanian and English, the following main **continuous reports/notifications**:

- Reports on inside information, as defined under the capital market laws, which are published as soon as possible, but without exceeding 24 hours as of the occurrence of the respective event or as of the time when such information is delivered to the Company (e.g.: request for convening/completion of the convocation of the General Meeting of Shareholders, convening and resolutions of the General Meetings of Shareholders, changes in the management of the Company, disputes involving the Company, substantial acquisitions and disposals of assets, etc);
- Information on the payment of dividends (information on the value of dividend per share, ex-date, record date and date of payment of dividends, as agreed by the general meeting of shareholders, methods of payment and identification data of paying agent), which is published prior to initiating the payment of the dividends;
- Report on the major holdings of Transilvania Investments (reaching, exceeding, decreasing below 5%, 10%, 15%, 20%, 25%, 33%, 50%, and 75% thresholds) of voting rights in an issuer whose shares are admitted to trading on a regulated market, as set forth under the applicable laws;
- Reports on the significant transactions with affiliated parties, which are published subsequent to their approval and no later than their completion;
- If the Company acquires or disposes, directly or indirectly, of its own shares, notices on the percentage of own shares held, as set forth under the applicable laws.

The aforementioned information is delivered to the Bucharest Stock Exchange and the Financial Supervisory Authority – Financial Instruments and Investments Sector, published in a national newspaper, where applicable, and posted on the Company's website www.transilvaniainvestments.ro.

c) In addition to the abovementioned information, the Company posts on its website, under the "About Transilvania Investments" section, other **information/documents of interest**, such as:

- Articles of Incorporation of the company;
- Fund Rules;
- Key Information Document;
- Strategy of the Company and Investment Policy Statement;
- Company's corporate governance regulation;
- Policies regarding the company's functioning as an A.I.F.M. (summary);

- Remuneration Policy and Remuneration Reports;
- Structure of the Supervisory Board and Executive Board, accompanied by the resumes of their members;
- Company's Policies on remuneration of shareholders, forecasting, social responsibility, processing of personal data, involvement of Transilvania Investments in the companies in which it invests and integration of sustainability risks;
- Information on the filing and settlement of claims;
- Transactions with shares issued by the company carried out by managers, as well as by persons in close relations therewith;
- Shareholding structure and notifications received from the Company's shareholders regarding the percentage of the voting rights held, and reporting of major holdings provided by the applicable law;
- Other information and reports, as set out under the legal regulations applicable to A.I.F.M.

d) Furthermore, the Company makes available to its shareholders and potential investors on its website, under the *Investor relations* section*,* **a monthly newsletter** regarding the company's business and performance, interested persons being able to subscribe directly from the company's website.

e) **Direct communication** with the shareholders of the Company and potential investors is carried out by specialised organizational unit - Corporate Governance Department, which provide them (by mail, e-mail, telephone and at the company's head office) with information on the business and performance of the company.

Direct communication with the shareholders of the Company also takes place during corporate events organised by the Company or events in which the Company participates, such as:

- **general meetings of Transilvania Investments shareholders** during which the executive management presents the results and the strategy of the Company and answers questions raised by the shareholders.
- **conference calls for investors and analysts** organised to present the annual, half-yearly and quarterly financial results of the company.
- The **Investor Day**, an annual event that gives investors, analysts and the wider financial community the opportunity to discuss the achievements and future plans of the company with the members of the Executive Board.
- **meetings with** Romanian and foreign **investors** in view of promoting the Company among the investors on the capital market.

4.3.5. Communication with portfolio companies

Transilvania Investments believes that it is essential to have an effective communication with the investee companies, in compliance with the legal framework in force. The aim is to ensure the long-term value creation/development of the sectors with identified growth and development potential and those that are strategic in terms of the investment policy of Transilvania Investments.

The goal of Transilvania Investments is to manage the portfolio investments and to permanently identify investment opportunities while ensuring a reasonable level of investment risk dispersion, in order to provide its shareholders with the possibility to obtain attractive returns while increasing the invested capital.

To achieve such goal, Transilvania Investments is committed to establishing good communication with the portfolio companies. Such communication shall be in full compliance with the principles of corporate governance undertaken both at Transilvania Investments' level and at each company level. Transilvania Investments encourages portfolio companies to adopt a transparent decision-making approach, with the complete and equidistant information of all shareholders, in compliance with the applicable laws.

Transilvania Investments actively exercises its rights as a shareholder by casting its vote at General Meetings of Shareholders (directly or by correspondence), submitting draft resolutions, requests for additions to the agenda (if any) or questions to the Board of Directors or the Executive Board/Supervisory Board on items on the agenda of the General Meetings of Shareholders, as well as by closely monitoring the information and reports disseminated by issuers.

In addition, persons with specific responsibilities within Transilvania Investments Alliance attend investor meetings, conferences/teleconferences for the presentation of financial statements and other investor events organised by investee companies.

The Transilvania Investments' engagement policy in respect to the investee companies is available on the company's website of the www.transilvaniainvestments.ro, Corporate Governance section.

4.3.6. Communication with the capital market institutions

In its capacity as an alternative investment fund authorised, regulated and supervised by the Financial Supervisory Authority, as well as an issuer listed on the Premium category of the Bucharest Stock Exchange within the Main Segment, Transilvania Investments' communication with these institutions is governed by the legal framework applicable to the capital market and consists in the compliance by the Company with the reporting obligations, namely the obligation to **submit to F.S.A. and the B.S.E. all regulated information/reports** required by the specific legislation. Such information/reports are delivered electronically (based on a username and password) through the official reporting systems of the two institutions by the persons appointed specifically for this purpose by the company's management, upon the approval of such reports by the Executive Board. The appointed persons must meet the reporting deadlines, as defined under the applicable laws.

At the same time, the Company exchanges written correspondence with F.S.A. in which it responds to any request for information made by the Authority, or it requests, in turn, clarifications with respect to particular aspects regarding the regulations issued by F.S.A.

The Supervisory Board makes sure that an adequate framework is in place to determine how the specific laws on reporting to the F.S.A. are applied and to check the information delivered to F.S.A., upon its request.

Moreover, the Company actively participates in the work groups created by B.S.E. and F.S.A., whose purpose is to discuss the subjects of interest and the issues which the issuers deal with in general and the entities authorized by F.S.A. especially, and to submit proposals regarding the improvement of the legislative and regulatory framework applicable to the capital market.

The Company collaborates with the **Depozitarul Central** – a company which keeps the shareholders registry of Transilvania Investments - and with the **Depository-Custodian** – a banking institution which keeps records of the company’s assets - based on agreements concluded in compliance with the applicable legal regulations. Such collaboration involves responsible and rigorous communication for maintaining exact records and delivering accurate reports.

The communication of Transilvania Investments with the **participants** (financial investment companies and custodian banks) focuses on the delivery by the participants to their clients of relevant information about the Company so as to contribute to the enhancement of the visibility and attractiveness of the Company among investors on the capital market. Moreover, the Company collaborates with the participants in order to pay the dividends to the shareholders of the company who are clients of the participants, as concerns the collection of the documentation requested for the payment of the dividends for the pension funds, investment funds and non-resident shareholders who wish to apply a more favourable tax rate provided by the Fiscal Code or agreements to avoid double taxation. Moreover, the participants provide to their clients the information which the company is bound to provide to the shareholders in order to allow them to exercise the rights afferent to their shares.

Transilvania Investments also focuses on the establishment of better communication and cooperation with all capital market institutions in view of developing and promoting high business standards for all types of capital market related activities.

4.3.7. Communication with public institutions

The communication of Transilvania Investments with various public institutions (Ministry of Finance, National Tax Administration Agency, National Bank of Romania, etc.) is mainly based on the legal reporting obligations of the Company towards them, such as the reporting of the assets and liabilities of investment funds, statistics of securities held by the Company, etc. Also, it is aimed at creating a working framework for perfecting the capital market legislation.

4.3.8. Communication with the media

The Company seeks to consolidate and promote its image amongst shareholders and investors on the capital market by promotional, advertising campaigns, interviews, press statements, rights of reply, press releases and other information materials.

The Company is officially represented by the Chairperson of the Executive Board or by the persons specifically appointed for this purpose, who may attend interviews, make presentations or gives speeches at events to which the Company is invited or which are organised by it.

4.3.9. Internal communication

As set out under the Company's organisational chart and internal regulations and rules, internal communication is carried out both vertically - by delivering the decisions and instructions of the company's management and/or of the heads of departments to their subordinates, and horizontally, between departments, by internal notes, and electronically (e-mail, file transfer, etc.).

During this communication process, the confidentiality, information integrity and security and data processing policies and procedures are complied with.

In addition to the normal reporting channels, employees may also report actual and significant suspicions with respect to the company's management directly to the members of the Audit Committee within the Supervisory Board.

5. CONFLICT OF INTERESTS AND TRANSACTIONS WITH INVOLVED PARTIES

Transilvania Investments, in accordance with the applicable legal regulations, has formalised the Conflicts of Interest Policy, which sets out the main coordinates of:

(i) the activities carried out by the Company or on the Company's behalf, including the activities carried out by a delegate, a sub-delegate, an external valuer or a counterparty, the identification of circumstances which constitute or may give rise to a conflict of interests with a significant risk of causing damage to its investors;

(ii) the procedures which must be followed or adopted to prevent, manage and monitor such conflicts.

A conflict of interests refers to a situation in which a member of the Supervisory Board/Executive Board, an employee of the company, a shareholder, a delegate, and persons involved with them have a direct or indirect competitive, commercial, professional or personal interest which is or might conflict with its duties towards the Company.

Potential conflicts of interest could also result from the use of the assets of the company, association with competing companies, use of the information received in the context of complying with their capacity of member of the Supervisory Board or Executive Board, employees of the company or persons involved with them.

During its day-to-day business, Transilvania Investments may encounter both specific conflicts of interests resulting from its current operations and indirect conflicts of interest arising from the performance of operations and services in cooperation with other financial entities.

The Company focuses on proactively identifying, by using specific instruments and mechanisms, any potential circumstances with a significant risk of causing damage to the shareholders of Transilvania Investments for the purposes of implementing the best preventive actions.

By implementing such internal instruments and mechanisms, Transilvania Investments seeks to prevent and adequately manage conflicts of interest, so that their impact is eliminated or minimised.

Transilvania Investments takes all reasonable steps to prevent conflicts of interest and, where they cannot be avoided, the Company takes steps to identify, manage, monitor and, where appropriate, disclose conflicts of interest in order to prevent them from adversely affecting the interests of Transilvania Investments and its investors.

To avoid conflicts of interest and the suspicions that may arise in such situations, the Company's policy is not to accede to requests to enter into transactions that may give rise to conflicts of interest unless such transactions are strictly in the interests of the Company and its investors.

Transilvania Investments has adopted procedures for identifying and settling conflicts of interest.

The following rules of conduct were adopted at the company level in view of avoiding conflicts of interest.

- The members of the Supervisory Board and of the Executive Board have a duty of loyalty to the Company and must avoid conflicts of interests and any circumstances in which their personal or business interests make it difficult for them to take objective actions in the best interest of the Company and of its shareholders and to exercise their role as members of the Supervisory Board or of the Executive Board.
- In order to avoid conflicts of interest, the members of the Supervisory Board, the members of the Executive Board, the employees of Transilvania Investments and their first-degree relatives shall not have any commercial legal relationships with Transilvania Investments and the companies controlled by it, except in situations where such commercial legal relationships are approved by the higher bodies of the Company, in line with the hierarchical management structure. Also, the members of the Supervisory Board and the members of the Executive Board shall not be able to conclude employment contracts with companies from Transilvania Investments' portfolio.
- The members of the Supervisory Board and the members of the Executive Board report on an annual basis to the Audit Committee their main functions and business activities, including their main duties in nonprofit organizations, as well as any relevant corporate bodies within which the members of the Supervisory Board or of the Executive Board are themselves or those represented by them are significant shareholders. The Audit Committee shall make sure that there were no conflicts of interest, and in case of identifying such situations, that they were properly addressed.
- Members of the Supervisory Board shall promptly notify the Board, members of the Executive Board and employees of the company shall notify the Executive Board as well as the Compliance Officer, who is responsible for the management of the Conflicts of Interest Register, of any conflict of interests in which they find themselves and/or any potential conflict of interest in which they may find themselves as soon as possible.
- In case of a conflict of interest involving a member of the Supervisory Board or Executive Board, they shall not participate in discussions, deliberations or in the decision-making process with regard to the transaction, except the case when, in their absence, the majority necessary to adopt a decision is not reached (but without voting right when adopting a decision regarding the circumstance in which the concerned conflict of interest occurred). The member of the

Supervisory Board or Executive Board may be directly requested any information necessary to facilitate the adoption of a decision.

- In case of a conflict of interest identified by the persons performing supervisory/control activities within Transilvania Investments, it is promptly brought to the attention of the Supervisory Board/ Executive Board by written report.

Transactions with involved persons

To avoid conflicts of interests that may arise in the case of transactions with involved parties, Transilvania Investments' policy with regard to transactions with involved parties is not to accept requests to enter into such transactions unless such transactions are strictly in the interests of the company and its shareholders

If such transactions with involved persons cannot be avoided, the same being in the interest of the company and its shareholders, the Company will make all efforts to make sure that all transactions are objectively judged, in a manner which ensures the independence and protection of the company's interests, and in compliance with the legal restrictions, and accurately disclosed to the shareholders and potential investors.

The Company undertakes not give preferential treatment to any shareholder to the detriment of other shareholders with respect to the transactions concluded by the company with shareholders and persons involved therewith, and, consequently, protect the interests of the Company and of its shareholders.

For each transaction to be entered into with an involved person, the negotiation will be entrusted to a member of the Executive Board or to any head of an organizational unit, as nominated by the Executive Board.

The Executive Board and the Supervisory Board, if applicable, will be provided, during each meeting, with details on any transaction proposed to be entered into with an involved person, including the terms and purpose of such transaction and benefits for the company and for the involved person.

In view of approving a transaction with an involved person, the Executive Board, the Supervisory Board and the Audit Committee, if applicable, will mainly examine the following matters relevant for the transactions:

(i) whether entering into the respective transaction with an involved person is in the company's best business interests;

(ii) whether the terms of the transaction are fair for the company and whether the price falls under the existing market margins for comparable products or services; moreover, the products or services offered must provide additional benefits for the company as compared to similar products or services existing on the market;

(iii) whether the transaction affects the independence of a member of the Supervisory Board;

(iv) whether the transaction may constitute a major conflict of interest as a result of the transaction's size, the financial gain of the involved person, the direct or indirect interest in the transaction of the involved person.

The members of the Supervisory Board shall immediately inform the Board, and the members of the Executive Board, and the company's employees shall inform the Executive Board and the Compliance Department if they themselves or the members of their family have any personal interest in a transaction with the Company.

The transactions entered into by the Company with involved persons will be transparent and disclosed to investors in the company's annual business report. The company shall also publicly disclose, by means of preparing and publishing a report, significant related party transactions, as defined by capital market legislation, after their approval and, at the latest, at the time of their completion.

Transactions carried out by relevant persons and persons closely associated with them

All personal transactions carried out by employees who are relevant persons or by persons closely connected to them in relation to **financial instruments issued by Transilvania Investments or to other financial instruments traded** on a regulated market or an alternative trading system/ multilateral trading system or organised trading system, shall be notified, before being carried out, personally by the relevant persons, to the Compliance Officer, in order to verify compliance with the legal regulations on the avoidance of conflicts of interest and market abuse.

In addition, members of the Supervisory Board and of the Executive Board, as well as persons holding key positions (risk and audit) shall notify the Compliance Officer personally, in advance, of the intention to trade in order to verify compliance with legal regulations on avoidance of conflicts of interest, market abuse, etc. Personal transactions shall only be carried out after receiving a favourable opinion from the Compliance Officer. The Compliance Officer's intention to trade shall be notified by them to the Supervisory Board, and the transaction shall be carried out only after receiving a favourable opinion.

All personal transactions shall be notified to the Compliance Officer after the transaction has taken place in order to update the Personal Transaction Register.

On a quarterly basis, by the 5th day following the end of the quarter, the relevant persons, as well as all employees of the company, shall be required to submit to the Compliance Officer the financial instruments portfolio held and the transactions carried out during the reporting period.

The procedure regarding the transactions carried out by relevant persons and persons closely connected to them is available on the website of the company, in *Corporate Governance/Internal Regulations/Policies regarding the operation of Transilvania Investments Alliance as A.I.F.M.*

6. REGIME OF CORPORATE INFORMATION

Transilvania Investments has an Integrated Information System that ensures the support of all processes in the organisation in optimal conditions, ensuring the security, integrity, confidentiality of information and business continuity, in accordance with the legal provisions in force and with specific working procedures.

Since 2012, the Company implemented and certified an Information Security Management System, and, in 2024, it was recertified under a new standard, i.e. ISO/IEC 27001:2013 (SR ISO/CEI 27001:2013).

To ensure information security, Transilvania Investments has developed and implemented specific procedures on information classification, document workflow, equipment security, access control to information and information processing systems, information security incident management, disaster recovery and business continuity, record keeping of transactions with financial instruments in the portfolio and personal data processing.

In the internal working procedures, particular attention is paid to **inside information**, as defined under the European regulations on market abuse, i.e. "information of a precise nature, which has not been made public, which relates directly or indirectly to one or more issuers or one or more financial instruments and which, if it were made public, would be likely to significantly affect the price of the concerned financial instruments or of related financial derivatives."

The Company prepares **Lists of insiders**, who are notified in writing with respect to their related legal obligations and the penalties applicable in case of misuse and unauthorized disclosure of inside information.

Under the internal procedures, insiders are prohibited from:

- ✓ Participating or attempting to participate in insider trading practices for the acquisition/disposal of securities issued by Transilvania Investments;
- ✓ Recommending to another person to engage in insider trading practices or to persuade another person to engage in insider trading in order to acquire/dispose of securities issued by Transilvania Investments;
- ✓ Disclosing inside information without authorization;
- ✓ Engaging or attempting to engage in market manipulation.

Insiders may carry out transactions for their own account or for the account of third parties, directly or indirectly, with the Company's shares only after disclosing by the Company, through the person specifically appointed for this purpose, of the inside information, in compliance with the applicable legal regulations.

Furthermore, relevant persons in relation to Transilvania Investments may not carry out any transactions in their behalf or on behalf of a third party, directly or indirectly, with securities issued by Transilvania Investments or derivative or other financial instruments related thereto, during a closed period of 30 calendar days prior to the announcement of an interim financial report or year-end financial report that the company is required to publish.

The Company must make public the inside information as soon as possible, however within no more than 24 hours as of the occurrence of the event or the moment it became aware of such information. The inside information is delivered to B.S.E. and F.S.A. and published on the Company's website. The Company may postpone on its own responsibility the publication of inside information, in compliance with the special conditions set out under the legal regulations on market abuse.

7. SOCIAL RESPONSIBILITY

The social responsibility policy of Transilvania Investments is based on the principle of coherence between social programs, business conduct, attitude towards shareholders and employees as well as towards the environment, in the context of ensuring the sustainable development of both the company and the community in which it operates.

The Company is committed to ensuring that any business it conducts is managed in an ethical manner, based on corporate governance best practice.

The coordinates concerning practice of corporate social responsibility at the level of Transilvania Investments Alliance mainly target the following:

Social responsibility towards business and business conduct

Social responsibility towards the Company's activity mainly consists of the following:

- support through the investment programs promoted by the portfolio companies of partnerships with local communities and business (public-private partnerships);
- supporting the economy by promoting sustainable investment programs through portfolio companies (e.g. in the tourism sector), public tenders and the use of financing facilities provided by the capital market mechanisms and institutions;
- supporting portfolio companies, in terms of investments, which, on this basis, shall create jobs.

As concerns the business attitude, the management of the company and employees comply with the rules of ethics and conduct adopted by the company. They responsibly and honestly carry out the activity by considering the dignity and prestige of the profession, not engaging in practices that could prejudice the image and interests of the company and shareholders. While carrying out the activity, the company maintains its independence from any political influences, and it does not engage in using the name of the company to promote political interests.

Social responsibility towards shareholders

The mission of Transilvania Investments is to increase the value of assets under management through the full range of diversification instruments, in accordance with the applicable capital markets legislation and to implement a balanced remuneration policy for its shareholders.

The investment objective of the company is to maximize the aggregate returns obtained by current and potential shareholders through the investments made by the company, in accordance with the laws and regulations in force. To this end, Transilvania Investments is constantly striving for a significant increase in the quality of the portfolio of assets under management and, consequently, in its market value.

The Company's strategy regarding the shareholder remuneration is focused on the implementation of a balanced remuneration policy aimed at both direct remuneration (dividend gain) and indirect remuneration (capital gain facilitated by the decrease of the trading discount).

Transilvania Investments Alliance places particular emphasis on the protection of the interests and rights of investors, and in the event of alleged violations of these, the company is committed to doing its utmost to resolve complaints quickly and efficiently, and to treating investors in a professional, fair and non-discriminatory manner.

The Company also complies with its obligations of transparency and information to shareholders and investors by publishing current and periodic reports on the Company's activity on the Bucharest Stock Exchange website www.bvb.ro and on the company's website www.transilvaniainvestments.ro

Social responsibility towards employees

The most important resource of Transilvania Investments Alliance is its employees, the achievement of the company's goals being an expression of their commitment, training and professionalism.

The responsibility of the company towards its employees is manifested by providing a suitable working environment, providing opportunities for professional and personal development, conducting a permanent dialogue with them in order to improve processes and increase the corporate performance.

The commitments undertaken by Transilvania Investments Alliance in this regard are:

- ensuring that all employees participate in training and professional development programs;
- encouraging innovation and increasing competitiveness through inter-departmental team work;
- promoting project management and performance-based management;
- respecting the human dignity of each employee and all the rights deriving from that capacity;
- avoiding the use of forced and child labour and protecting maternity at work;
- creating a positive, dynamic, open, collaborative and dialog-based working environment in which employees can use their experience and potential, develop and grow professionally;
- ensuring the rigorous enforcement of legislative provisions, so that employment relations are fair and equitable, to operate according to the principle of equal treatment and equal opportunities, without discrimination of any kind;
- implementing a consistent policy on health and safety at work, so as to create a safe, healthy and clean working environment, free from the risk of injury or occupational illness;

Responsibility towards the environment

The coordinates of the environmental social responsibility policy of Transilvania Investments are the following: efficient use of resources, waste and pollution reduction, waste sorting and recycling, use of renewable and natural resources, saving water and electricity, use of clean technologies, ensuring thermal efficiency of buildings and implementation of environmental standards.

Responsibility towards the community

Promoting the principles of a company that is responsible towards the community, Transilvania Investments is involved in the life of the community through sponsorship and patronage, by granting humanitarian financial aid, as well as by participating, as a partner, in various social programs carried out in the community.

The priority areas in which the company has chosen to get involved are: education, health and social care, sport, culture, environment and humanitarian action.

Detailed information on social accountability at Transilvania Investments Alliance level can be found in the Annual Sustainability Reports, which are available on the website of the company www.transilvaniainvestments.ro.

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