



# Transilvania Investments

## Transilvania Investments Alliance's Engagement Policy

### General framework

This Policy has been drafted in compliance with the provisions of Law No 24/2017 *on issuers of financial instruments and market operations*, as further amended and supplemented.

Transilvania Investments Alliance is authorized 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 the **F.S.A. Authorization no. 40/15.02.2018**.

The Company is authorized as a **Retail Investor Alternative Investment Fund (R.I.A.I.F.)**, of closed-end type, diversified, established as an investment company, self-managed, according to Law no. 243/2019 *on the regulation of alternative investment funds*, under the **F.S.A. Authorization no. 150/09.07.2021**.

Transilvania Investments Alliance is a Romanian legal person set up as a **joint stock company (S.A.)** complying with the companies' laws, i.e. Law no. 31/1990 *on companies*. The shares issued by Transilvania Investments Alliance are listed on the Bucharest Stock Exchange (symbol **TRANSI**), under the Premium category, on the Main segment. As an issuer of financial instruments, the Company complies with the capital market legal provisions applicable to entities admitted to trading on a regulated market.

The scope of the engagement policy covers the **issuers**, that is, legal entities governed by public or private law having their registered office in the European Union and whose shares are admitted to trading on a regulated market in the European Union.

**Transilvania Investments Alliance's engagement** means:

- (i) Monitoring the issuers in which the Company has invested (investee companies) on relevant matters (including strategy, financial or non-financial performance and risk, capital structure, social and environmental impact and corporate governance);
- (ii) Conducting dialogues with investee companies;
- (iii) Exercising the voting rights and other rights attached to the shares, for the purpose of capitalizing the rights deriving from the investment in the issuers in the portfolio;
- (iv) Cooperating with other shareholders, communicating with relevant stakeholders of the investee companies;

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CUJ/CIF: RO 3047687  
R.C. J08/3306/1992

Autorizată A.F.I.A.:  
Autorizație ASF nr. 40/15.02.2018

Autorizată F.I.A.I.R.:  
Autorizație ASF nr. 150/09.07.2021

Cod LEI (Legal Entity Identifier):  
254900E2IL36VM93H128

Capital social:  
216 244 379,70 lei

Nr. Registru ASF:  
PJR071AFIAA/080005

Nr. Registru ASF:  
PJR09FAIR/080006

IBAN B.C.R. Braşov:  
RO08 RNCB 0053 0085 8144 0001

Societate administrată în sistem dualist

- (v) Managing actual and potential conflicts of interest in relation to Transilvania Investments Alliance's engagement.

**Transilvania Investments Alliance shall act in the best interest of its investors and, in this respect, it shall pursue an active engagement strategy in relation to the investee companies, in order to improve their potential to create value on medium/long term and implicitly the risk-adjusted performance for its shareholders.**

### **I. Monitoring the investee companies on relevant matters**

As an authorized A.I.F.M., Transilvania Investments Alliance defined its *Policies and procedures regarding the portfolio management*, in accordance with the applicable legal regulations.

Transilvania Investments Alliance makes available on the company's website, under the Corporate Governance section the main provisions of the *Investment Policy* that includes the *Investment preliminary procedure*, the *Diligence required in selecting investments* and the *Permanent investment monitoring*, as part of the Internal Regulations of the Company.

As an integral part of the investment process, Transilvania Investments Alliance, through its operational departments, carefully analyze the issuers both prior to the investment and throughout the investment, as part of the process of monitoring the activities of the portfolio companies. The analysis covers, inter alia, the management quality, strategy, financial and non-financial performance, risks, capital structure, transparency toward investors, application of corporate governance principles, etc.

The investment decisions will consider and integrate the relevant information available, including those having an impact on sustainability factors.

As concerns the sustainability, Transilvania Investments Alliance's goal consists in identifying potential risks, especially in terms of environmental, social and corporate governance factors. According to the 2020-2024 Investment Policy Statement (I.P.S.), approved by the shareholders, the Company aims to gradually implement the ESG factors in its preliminary investment analyses.

Transilvania Investments Alliance's *Policy on the Integration of Sustainability Risks*, as part of the company's *R.I.A.I.F. Rules*, is available on the company's website, under Corporate Governance section.

Monitoring the activity of the investee companies can be made on the basis of: the Revenue and Expenditure Budget, Investment program, Performance indicators and criteria, Periodical and current reports published by the issuers, Financial Auditors' Reports, Quarterly and half-yearly financial statements and any other relevant public information and documents relating to the investee companies.

### **II. Conducting dialogues with investee companies**

Transilvania Investments Alliance considers that an effective communication with the investee companies, within the legal framework in force, is essential. The aim is to ensure value creation/long-term development of the sectors with growth and development potential and of those sectors deemed as being strategic from the perspective of Transilvania Investments Alliance's Investment Policy.

The objective of Transilvania Investments Alliance is to manage the investments in its portfolio, to permanently identify new investment opportunities and to ensure a reasonable dispersion of the investment risk, so as to offer its shareholders the possibility of both achieving attractive yields and increasing their invested capital.

In order to achieve this objective, Transilvania Investments Alliance is committed to establishing an effective communication with the portfolio companies. Such communication is performed in full compliance with the corporate governance principles undertaken both at Transilvania Investments Alliance's level and at each portfolio company's level. Transilvania Investments Alliance encourages the portfolio companies to adopt a transparent decision-making conduct, with the complete and equidistant informing of all shareholders, in compliance with the applicable laws.

Transilvania Investments Alliance actively exercises its shareholder rights by casting its vote during the general meetings of shareholders (directly or by correspondence), by delivering draft resolutions or addressing questions to the Board of Directors or Executive Board/Supervisory Board with respect to the items on the agenda of the general meetings of shareholders, as well as by carefully monitoring the information and reports disclosed by the issuers.

In addition, persons with specific responsibilities within Transilvania Investments Alliance participate in the meetings with investors and conference calls for the presentation of the financial results and to other events intended for investors, organized by the investee companies.

### **III. Exercising the voting rights and other rights attached to the shares, deriving from the investment in the issuers in the portfolio**

As an authorized A.I.F.M., Transilvania Investments Alliance defined its *Portfolio management policies and procedures*, in accordance with the applicable legal regulations.

The objectives of the portfolio management and voting policies, as well as the strategies, methods and measures adopted for the enforcement thereof, are established based on the compliance with the corporate governance principles adhered to by the listed companies and by reference to the risk profile of Transilvania Investments Alliance and also in full compliance with the Risk Management Policies and Procedures adopted by the Company.

Transilvania Investments Alliance makes available on the company's website, under Corporate Governance section, the main provisions of the *Portfolio management and voting policies*, *Diligence required in selecting investments* and *Permanent investment monitoring*, as part of the Internal Regulations of the Company.

### **IV. Cooperating with other shareholders, communicating with relevant stakeholders of the investee companies**

In order to promote a better corporate governance, risk management, performance or transparency at the investee companies' level, Transilvania Investments Alliance may cooperate with other shareholders in one-off joint projects. Any collaboration/communication with the shareholders of the same issuer is carried out in full compliance with applicable laws, regulations and recommendations, as well as with Transilvania Investments Alliance's internal regulations.

Communication with the relevant stakeholders of the investee companies shall be made only in the interest of investors, in compliance with the above-mentioned conditions, without breaching any legal or internal regulations.

Cooperation/communication can normally take place in formal or informal meetings with other shareholders or in professional working groups, non-governmental organizations and associations etc.

#### **V. Managing actual and potential conflicts of interest in relation to Transilvania Investments Alliance's engagement**

In its capacity of issuer and authorized A.I.F.M., Transilvania Investments Alliance defined its *Policies and procedures on Conflicts of Interests*, in compliance with the applicable legal regulations. Through specific instruments and mechanisms, the company seeks to actively identify any potential circumstances with a high risk of causing damages to Transilvania Investments Alliance shareholders, in order to adopt the best preventive measures.

All decisions regarding the engagement and exercising of the voting rights consider the best interest of Transilvania Investments Alliance's investors in terms of portfolio management. In all situations, the legal rules on conflicts of interest, as well as the internal policies and procedures of the Company are taken into account.

The main provisions of the *Policy on Conflicts of Interests*, as part of the internal regulations of S Transilvania Investments Alliance are available on the company's website, under Corporate governance section.

#### **Update of the Engagement Policy**

Whenever the company deems it necessary and appropriate, this Policy will be subject to reviews, the outcome of which will be communicated to investors, in compliance with the legal regulations in force. The policy will be reviewed whenever a significant change occurs, in accordance with the best interest of investors.

#### **Availability of the Engagement Policy**

The Policy is available on the company's website [www.transilvaniainvestments.ro](http://www.transilvaniainvestments.ro), under *Corporate governance* section. Transilvania Investments Alliance will publish within its Annual Report information on how this Engagement Policy has been implemented, including a general description of the Company's voting behaviour, in compliance with the provisions of this Engagement Policy.

June 2022