

**CORPORATE GOVERNANCE
REGULATION
OF LONGSHIELD INVESTMENT GROUP S.A.**

updated February of 2026

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ABBREVIATIONS

Longshield Investment Group S.A. - The Company

SAI Muntenia Invest S.A. - The Manager

The Financial Supervisory Authority - FSA

The Shareholders' General Meeting - SGM

The Board of Shareholders' Representatives of Longshield Investment Group S.A. - BoSR

The Board of Directors of SAI Muntenia Invest S.A. - BoD

The Executive Management of SAI Muntenia Invest S.A. - Exec. Mgt.

The Chamber of Financial Auditors of Romania - CAFR

The Authority for the Public Oversight of Statutory Audit Activity - ASPAAS

The Bucharest Stock Exchange - BVB

PREAMBLE

Corporate Governance represents the set of principles underlying the management of a regulated entity, aiming to protect and harmonize the interests of all categories of participants in the activity of the regulated entity, namely directors, managers, employees, customers and business partners, as well as central and local authorities, etc.

The Company's Corporate Governance Regulation presents, in a synthetic form, the corporate governance structures, the rules and procedures for decision-making, and the governance standards that ensure the application of the general principles of management and control of the Company's activity, for the benefit of its shareholders.

This Regulation shall be periodically reviewed and, if necessary, revised so as to reflect the regulations in force at the time of revision.

The Company has adhered to the rules and principles of corporate governance provided by the applicable legislation, as well as by the BVB Corporate Governance Code.

Adherence to the rules and principles of corporate governance set out in the BVB Corporate Governance Code was implemented starting with the annual report for the 2010 financial year.

The corporate governance system applied complies with:

- the accuracy and transparency of the Company's decision-making process, ensuring equal access for all shareholders to relevant information, as well as the appropriate allocation and proper separation of responsibilities;
- the proper management of risks;
- the adequacy of policies and strategies, as well as of internal control mechanisms;
- the assurance of an efficient system for communication and information transmission;
- the application of sound operational procedures designed to prevent the disclosure of confidential information.

Starting with 2016, the Company's Annual Management Report includes, as an annex, the Statement on the Application of Corporate Governance Principles prepared in accordance with FSA Regulation no. 2/2016 on the application of corporate governance principles by entities authorised, regulated, and supervised by the Financial Supervisory Authority, as subsequently amended and supplemented, as well as the Status of compliance with the provisions of the BVB Corporate Governance Code. At the same time, the statement on the application of corporate governance principles, prepared in accordance with FSA Regulation no. 2/2016, as subsequently amended and supplemented, is also available on the Company's website, in the "Corporate Governance" section.

The Company's Annual Report includes a dedicated chapter on corporate governance, describing the relevant events related to the application of corporate governance principles recorded during the financial year for which the report is prepared.

The Company applies and maintains appropriate policies and procedures to ensure that members of the Board of Directors (BoD), of the Executive Management (Exec. Mgt.), and individuals holding key functions have the necessary competence and professional experience and continuously meet the requirements of good reputation and integrity, in accordance with the applicable capital market regulations.

The Legal Framework Governing the Company's Activity

- Directive no. 2011/61/EU on Alternative Investment Fund Managers,
- Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings,
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
- Regulation (EU) 231/2013 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision,
- Regulation (EU) 2088/2019 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Regulation 2088/2019);
- Regulation (EU) no. 2365/2015 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) no. 648/2012 (Regulation no. 2365/2015);
- Commission Regulation (EC) no. 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive,
- Regulation (EU) no. 679/2016 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);
- Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;
- Regulation (EU) no. 2554/2022 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) no. 1060/2009, (EU) no. 648/2012, (EU) no. 600/2014, (EU) no. 909/2014 and (EU) 2016/1011 (DORA)
- Law no. 243/2019 on the regulation of alternative investment funds and amending and supplementing certain legislative acts;
- Law no. 24/2017 on issuers of financial instruments and market operations;
- Companies Law no. 31/1990, as republished, as subsequently amended and supplemented;
- Law no. 74/2015 on alternative investment fund managers;
- Accounting Law no. 82/1991, as republished;
- Law no. 227/2015 on the Fiscal Code, as subsequently amended and supplemented;
- GEO 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for the amendment and completion of Law no. 297/2004 on the capital market;
- FSA Regulation no. 2/2016 on the application of corporate governance principles by entities authorised, regulated and supervised by the Financial Supervisory Authority, as subsequently amended and supplemented;
- FSA Regulation no. 7/2020 on the authorisation and operation of alternative investment funds;
- FSA Regulation no. 9/2014 on the authorisation and operation of investment management companies, undertakings for collective investment in transferable securities and depositaries of undertakings for collective investment in transferable securities, as subsequently amended and supplemented;
- FSA Regulation no. 10/2015 on the management of alternative investment funds;
- FSA Regulation no. 1/2019 on the assessment and approval of members of the management structure and persons holding key functions in entities regulated by the Financial Supervisory Authority;
- FSA Regulation no. 5/2018 on issuers of financial instruments and market operations;

- Rule no. 39/2015 for the approval of the Accounting Regulations in accordance with International Financial Reporting Standards, applicable to entities authorised, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector, as subsequently amended and supplemented;
- The Company's Articles of Incorporation;
- The Company's Simplified Prospectus - Alternative Investment Fund for Retail Investors (AIFRI);
- The Company's Rules - Alternative Investment Fund for Retail Investors (AIFRI);
- The Bucharest Stock Exchange (BVB) Code;
- The BVB Corporate Governance Code;
- Other legislative acts that may be relevant to the Company's activity and to its organisation and operation.

CORPORATE GOVERNANCE STRUCTURES

The Company is a Romanian legal entity, established as a joint-stock company with fully private capital. The operation of the Company is regulated by the provisions of ordinary and special Romanian laws applicable to financial investment companies, as well as by the provisions of its Articles of Incorporation.

In accordance with the Articles of Incorporation, the management of the Company is carried out on the basis of a Management Contract concluded with Societatea de Administrare a Investițiilor Muntenia Invest SA (SAI Muntenia Invest).

The Company has been authorised as an Alternative Investment Fund for Retail Investors (AIFRI) by way of FSA Authorisation no. 151/09.07.2021 and is enrolled with the FSA Register in the Alternative Investment Funds section, Subsection: Alternative Investment Funds for Retail Investors established in Romania (AIFRI) under no. PJR09FIAIR/400005.

1.1. THE SHAREHOLDERS' GENERAL MEETING (SGM)

The supreme governing body of the Company is the SGM.

The SGMs are ordinary and extraordinary. The ordinary SGM shall meet at least once a year within four months of the end of the financial year. The extraordinary SGM shall be convened whenever necessary.

The duties of the SGM are stipulated in the Articles of Incorporation and comply with legal provisions in force. The updated Articles of Incorporation is published on the Company website, www.longshield.ro. SGM Decisions are taken by open vote or secret ballot. The secret ballot is mandatory for the appointment of BoSR members or for their dismissal, for the appointment or dismissal of the Manager, and for the appointment or dismissal of the financial auditor and for making decisions regarding the liability devolving on the members of the administrative bodies. SGM Decisions, taken in compliance with the law and the Articles of Incorporation, are binding on all shareholders, including those who do not attend the meeting or who vote against such decision.

The SGM is chaired by one of the permanent representatives appointed by the Manager and registered with the Trade Register as a legal representative of the Company.

The SGMs are convened by the Manager at least 30 days before the date set for them. The BoD of the Manager approves procedures regarding the orderly and effective organisation and performance of SGM proceedings, in accordance with legal provisions and relevant FSA regulations. The procedures for participation and voting at the SGM are made available to shareholders at the headquarters of the Company and displayed on the Company website (www.longshield.ro), together with the information and materials regarding the General Meeting: the Notice to attend the SGM, informative materials and documents subject to SGM debates and approvals, special power of attorney forms and postal vote ballot papers, decisions taken by the SGM and the result of the vote for each item on the agenda. The decisions taken within SGMs are reported to the FSA and BVB and are published in a national daily newspaper and in the Official Gazette, Part IV.

The Manager uses its best efforts to ensure a fair treatment of all Company shareholders, regardless of the number of shares held, including non-resident shareholders, providing them with relevant and up-to-date information.

1.2. THE BOARD OF SHAREHOLDERS' REPRESENTATIVES (BoSR) OF THE COMPANY

The BoSR is a body that represents Company shareholders' interests in relation to its Manager, on the basis of a budget approved by the Company's SGM.

Individuals who wish to apply for a position on the BoSR must meet the following conditions:

- Must not be employees or managers of an AIFM/UCITS or of another financial investment company¹ and must not have any contractual relationship with the Company or its Manager;
- Must not have been convicted by way of a final court decision for fraudulent management, breach of trust, forgery, use of forged documents, fraud, embezzlement, perjury, bribery or taking bribes;

¹ The amendments made to the Articles of Incorporation of Longshield Investment Group SA, in accordance with the Decision of the Company's Shareholders' Extraordinary General Meeting no. 6 dated 28.10.2025, are currently undergoing authorisation by the FSA. According to the Decision of the SEGM no. 6/28.10.2025, art. 7(3)(a) of the Articles of Incorporation of Longshield Investment Group S.A. shall read as follows: the phrase "financial investment companies" shall be replaced with the phrase "collective investment undertaking".

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- Must be graduates of a higher-education institution with a bachelor's or diploma-level degree;
 - Must have at least five years of experience in the financial-banking sector, the capital market, company management, or in academia;
 - Must not hold, directly or together with their spouse, relatives up to the third degree, or in-laws up to the second degree, more than 5% of the share capital of the depository with which the Company has concluded the deposit contract;
 - Must not have been sanctioned by a financial market regulatory authority with a prohibition on performing professional activities;
 - Must not be in any other situation of incompatibility provided by applicable legal provisions or by the present Articles of Incorporation.

The BoSR has the following duties:

- To represent the Company in relation to its Manager;
- To negotiate and conclude the Management Contract;
- To monitor compliance with contractual clauses and commitments undertaken by the Manager under the Management Contract and under the management programme approved by the Company SGM;
- To analyse the regular reports drawn up by the Manager regarding the way in which it has exercised its duties in terms of:
 - the Company management;
 - the exercise of the rights granted by the holding of securities in the Company portfolio;
 - the defence of Company rights and interests before courts, arbitration courts, and any bodies with jurisdictional and administrative powers;
- To ask for actions designed to ensure compliance by the Manager's activity with the provisions of the Management Contract, FSA regulations, annual management programmes, revenue and expenditure budgets approved by the Company SGM and the applicable laws;
- To verify the conclusion of the contract with the financial auditor according to the decision of the Company SGM;
- To verify the preparation of the annual financial statements by the Manager and the proposals for the distribution of the profit to be submitted to the Company SGM for approval purposes;
- To verify the preparation of the annual programme regarding the management of the Company portfolio;
- To verify the preparation of the Company revenue and expenditure budget in order to submit it to the Company SGM;
- To verify the preparation by the Manager of half-yearly and quarterly reports in accordance with legal provisions and FSA regulations;
- To verify the preparation of materials to be submitted to the Company SGM;
- To verify the conclusion of the Depository Contract or the contract with Depozitarul Central.

1.3. THE COMPANY MANAGER

The Company is managed by SAI Muntenia Invest SA on the basis of the Management Contract approved according to the Decisions of the SGM dated 23.04.2020 and endorsed by the FSA through Opinion no. 165/22.07.2020. By way of the Decision of the SOGM dated 13.02.2024, SAI Muntenia Invest SA was re-elected as Sole Manager for a 4-year term of office starting 24.04.2024 and until 24.04.2028.

The Manager is represented by the three members of the BoD and by permanent appointed representatives. The members of the BoD are elected by the SGM. The Manager for a 4-year period, with the possibility of being re-elected. The members of the BoD should cumulatively meet the general conditions provided for by Law no. 31/1990, supplemented by those established under Law no. 74/2015, Emergency Ordinance no. 32/2012, Law no. 24/2017 and by FSA Regulations. The members of the BoD are authorised by the FSA.

The BoD has a Chairperson elected by the Shareholders' Ordinary General Meeting of the Manager. The structure and composition of the BoD are in accordance with the requirements of specific applicable laws, so that the Manager should effectively meet its obligations. The structure of the BoD ensures a balance between executive and non-executive members, so that the decision-making process of the Board should not be dominated by any one person or small group of people. The Manager's obligations are regulated by provisions regarding the term of office and provisions specifically laid down in Companies Law no. 31/1990, as subsequently amended and supplemented, by capital market laws, by applicable FSA regulations, by provisions of the Articles of Incorporation of the Manager and of the Company, as well as provisions of the Management Contract.

The BoD may establish advisory committees composed of board members, tasked with carrying out investigations and preparing recommendations for the Board in areas such as audit, remuneration of directors, managers and staff, nomination of candidates for various management functions, and others. The BoD determines the competences and functioning of the committees it establishes.

Given that Longshield Investment Group SA is managed by SAI Muntenia Invest SA as Sole Manager, the members of the Manager's advisory committees also exercise the corresponding responsibilities of the advisory committees of Longshield Investment Group SA.

Delegation of the Board's responsibilities to the Exec. Mgt. is carried out in accordance with the provisions of Company Law no. 31/1990, as republished, as subsequently amended and supplemented, as well as with the specific legislation applicable to the Company. The BoD is responsible for the strategic management of the Company, for achieving the established objectives, and for preparing the business plan, and it has the obligation to assess the Company's financial position.

The decision-making process is a collective responsibility of the BoD, which is jointly liable for all decisions taken in the exercise of its competences. The members of the BoD possess the knowledge, skills, and experience necessary to understand the Company's activities and the risks to which it is exposed.

The BoD and the Exec. Mgt., as applicable, regularly review the Company's policies on financial reporting, compliance, and the risk-management system.

The Manager periodically reviews internal policies and procedures regarding financial reporting, internal audit, compliance, and the risk-management system, in order to align them with any legislative changes and to improve the operational effectiveness of internal systems. The BoD regularly analyses the effectiveness of the compliance system and the update mechanisms to ensure rigorous management of the risks to which the Company is exposed.

The BoD analyses and establishes the remuneration policy of the Manager so that it aligns with the business strategy, long-term objectives and interests, and includes measures to prevent conflicts of interest.

THE MANAGEMENT CONTRACT CONCLUDED WITH SAI MUNTENIA INVEST SA

The BoSR monitors the implementation of the Management Contract and periodically receives activity reports from the Manager's representatives regarding the management of the Company.

The Management Contract entered into force only after obtaining the Opinion of the FSA.

According to the Management Contract concluded between the Company and the Manager, the management of the Company, within the meaning of the provisions of the Management Contract, includes all and any legal acts and operations performed by the Manager, with full assumption of liability and in compliance with applicable legislation, in its own name but on behalf of the Company, through which:

- a) financial investments are carried out with a view to maximise the value of the Company's shares, in accordance with applicable regulations;
- b) the Company's investment portfolio is managed and all rights associated with the instruments in which investments are made are exercised;
- c) risks are managed;
- d) other auxiliary and related activities are performed, in accordance with applicable regulations;
- e) any other activities related to the management of the Company are carried out, in compliance with the provisions of the applicable legislation and FSA regulations.

THE MANAGEMENT FEE OWED TO THE MANAGER/THE REMUNERATION POLICY

The price of the Management Contract concluded between the Company and the Manager is the management fee, as set out in the Management Contract concluded between the two parties and approved by the Company's SGM.

THE ADVISORY COMMITTEES OF THE BOARD OF DIRECTORS OF SAI MUNTENIA INVEST SA AND OF LONGSHIELD INVESTMENT GROUP SA.

The BoD of the Manager establishes advisory committees composed of its members, tasked with carrying out investigations and preparing recommendations for the BoD. The BoD determines the duties and responsibilities of the committees it establishes. Given that Longshield Investment Group SA is managed by SAI Muntenia Invest SA as Sole Manager under the Management Contract concluded on 27.04.2020 and extended through Addendum no. 2 of 2024, and in accordance with the responsibilities assumed under the Sole Manager mandate, the members of the Audit Committee and of the Nomination and Remuneration Committee of SAI Muntenia Invest SA also exercise the duties corresponding to the Audit Committee and the Nomination and Remuneration Committee of Longshield Investment Group SA.

THE AUDIT COMMITTEE

The Audit Committee is a standing committee subordinated to the BoD of the Manager. It assists the BoD in fulfilling its responsibilities in the areas of financial reporting, internal control, and risk management. It supports the BoD in monitoring the credibility and integrity of the financial information provided by the Company, particularly by reviewing the relevance and consistency of the accounting standards applied by the Company.

The composition of the Audit Committee is determined by the BoD. The Audit Committee consists of 2 non-executive members, both of whom are independent directors. The members of the Audit Committee have experience appropriate to the duties assigned to them within the committee and meet all applicable legal requirements.

The Audit Committee has the following main responsibilities:

- to inform the BoD regarding the results of the statutory audit and, where applicable, the results of the assurance of sustainability reporting, and to explain how the statutory audit and the sustainability reporting assurance contributed to the integrity of financial reporting and sustainability reporting, respectively, as well as the role played by the Audit Committee in this process;
- to monitor the financial reporting process and, where applicable, the sustainability reporting process;
- to monitor the audit of the annual financial statements to ensure that financial reporting is completed in accordance with legal requirements and the financial calendar;
- to verify and monitor the independence of the financial auditor, especially when additional services are provided by the auditor to the Manager or the Company, and keeping records of such verifications;
- to receive and analyse all correspondence from the financial auditors and internal auditors of the Manager or the Company;
- to review the reports prepared by the financial and internal auditors of the Manager or the Company;
- to conduct investigations to identify the causes of irregularities highlighted in the reports prepared by the financial and internal auditors of the Manager or the Company;
- to prepare and submit analyses and recommendations to the BoD of the Manager regarding measures to improve governance, the risk management system, the internal control system, and the financial reporting process of the Director or the Company;
- to verify compliance with business ethics rules;
- to oversee the selection procedure for the financial auditor or audit company of the Manager or the Company;
- to monitor the effectiveness of the systems used by the Company for internal control, internal audit, and risk management, and to submit an annual report to the BoD of the Manager regarding the effectiveness of these systems;
- to propose measures and making recommendations to the BoD of the Manager when deficiencies in the internal control systems are identified;
- to ensure that analyses and reports prepared by internal auditors of the Manager or the Company comply with the audit plan approved by the BoD of the Manager.

The Audit Committee meets whenever necessary, at least twice a year, to analyse the audit report and/or the opinion of the financial auditor, as well as the report prepared by the internal auditor, regarding the key issues arising from the audit of the annual financial statements/semi-annual reports, as well as regarding the financial reporting process, and recommends any measures that need to be taken, if necessary. The deliberations of the Audit Committee meetings are recorded in a register and presented to the BoD of the Manager.

THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is a standing advisory committee subordinated to the BoD of the Manager.

The BoD appoints an advisory committee composed of 2 non-executive members, including at least one independent member of the BoD, in accordance with the independence principle set out in art. 18 of FSA Regulation no. 1/2019 on the assessment and approval of members of the management structure and key function holders within entities regulated by the FSA

The Nomination and Remuneration Committee has the role of consulting/assisting the BoD in establishing/overseeing the remuneration policies and practices, as well as the policies for the nomination and evaluation of individuals within the management structure.

The Nomination and Remuneration Committee, in its activity regarding remuneration:

- has access to independent internal/external consultancy, separate from any consultancy provided by or to senior management;
- has unlimited access to all data and information related to the BoD's decision-making process concerning the design and implementation of the remuneration system;
- has unlimited access to all data and information originating from the risk management and control/compliance functions;
- ensures the appropriate involvement of internal control and other relevant functions (e.g., human resources);
- provides appropriate information to the BoD of the Manager regarding the activities carried out.

The composition of the Committee takes into account the fact that, at an aggregate level, it must possess sufficient competencies and professional experience regarding risk management and control activities, specifically with regard to the mechanism for aligning the remuneration structure with the Company's risk and capital profiles. The Nomination and Remuneration Committee mainly has the following responsibilities:

- to make recommendations to the BoD regarding the remuneration of members of the governing body, as well as staff members with the highest level of remuneration within the Manager;
- to provide assistance and consultancy to the BoD regarding the remuneration policies applicable within the Manager;
- to monitor the implementation of and compliance with the Manager's remuneration system;
- to assess the mechanisms in place so as to ensure that:
 - the remuneration system duly takes into account of all types of risks and the level of liquidity and assets managed;
 - the overall remuneration policy corresponds to the Company's long-term strategy, objectives, values, and professional interests, as well as the interests of its investors, and includes measures to prevent the occurrence of conflicts of interest;
- to formally review a number of possible scenarios in order to test how the remuneration system would react to external and internal events that could have a significant impact on it;
- to select external remuneration consultants and to submit proposals to the BoD for the approval of the consultancy or external-assistance company, where applicable;
- to directly oversee the remuneration of individuals holding risk management and compliance functions;
- to review the reports and analyses prepared by the Exec. Mgt. regarding the implementation of the Manager's remuneration system;
- to endorse, prior to BoD approval, and to monitor compliance with the remuneration policy drafted and applied by the Exec. Mgt.;

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- to submit to the BoD annual reports, or reports whenever necessary, regarding the activities carried out;
 - to immediately communicate in writing to the Exec. Mgt. the situations identified, in cases where it detects irregularities in the development or implementation of the remuneration policy, to monitor their correction and to request appropriate amendments, informing the BoD members accordingly;
 - to inform the BoD of the written response received from the Exec. Mgt. regarding the irregularities identified in the development or implementation of the remuneration policy;
 - to periodically assess the suitability of the members of the management structure and to prepare a corresponding report, which it submits to the management structure;
 - to prepare and recommend guidelines for the selection of BoD/managers, including criteria for assessing their independence;
 - to assess and propose candidates to the BoD for appointment or removal in/from the function of BoD member;
 - to prepare the performance evaluation of BoD members through a self-assessment process;
 - to assess the independence of BoD members at least once a year;
 - to verify annually the number of mandates held by BoD members and managers in other companies;
 - to prepare recommendations to the BoD for the appointment or dismissal of key and control function staff within the Manager.

The Committee shall meet at least once a year to draw up the annual report, as well as whenever it deems it appropriate.

THE EXECUTIVE MANAGEMENT OF THE MANAGER

The Exec. Mgt. of the Manager is ensured in accordance with the provisions of legal regulations in force and the Manager's Internal Regulations, by three managers: the CEO, the Deputy CEO and the Chief Investment Officer (CIO).

The Exec. Mgt. of the Manager is responsible for managing and ensuring the proper operation of SAI Muntenia Invest SA and Longshield Investment Group SA.

The Exec. Mgt. informs the BoD about the activity carried out between its regular meetings.

The Exec. Mgt. is empowered to lead and coordinate the daily operations of the Company and may engage the Company's liability within the limits of the mandate granted by the BoD.

The CEO/Managers is/are appointed by the BoD and ensure the executive management of the Company.

The Exec. Mgt. communicates with stakeholders based on a communication strategy that meets at least the following principles:

- a) ensuring fair treatment to shareholders and stakeholders;
- b) timely communication of information;
- c) ensuring a transparent communication framework.

THE CEO

In accordance with the provisions of Companies Law no. 31/1990, the BoD has delegated part of its powers to the CEO, within the limits established by law, the Articles of Incorporation and the Decisions of the BoD, except for the powers reserved by law and/or the Articles of Incorporation, to the SGM and the BoD.

The CEO has, primarily, the following duties:

- regarding the management, leadership and coordination of SAI MUNTENIA INVEST SA;
- representation of SAI Muntenia Invest SA and of the entities under its management;
- verification and control;
- information and reporting.

The detailed duties of the CEO are set out within the internal procedures SAI Muntenia Invest SA.

THE DEPUTY CEO

The Deputy CEO has, primarily, the following duties:

- to submit an annual activity report to the BoD;
- to coordinate the preparation of the Company's financial plan and to monitor compliance with the budgets approved by shareholders;
- to coordinate the preparation of the Company's financial reports/annual financial statements;
- to coordinate the organisational development programmes;

The detailed duties of the Deputy CEO are set out within the internal procedures SAI Muntenia Invest SA

THE CHIEF INVESTMENT OFFICER (CIO)

The CIO has, primarily, the following duties:

- to submit an annual activity report to the BoD;
- to coordinate sectoral analysis activities aimed at identifying potential new development projects;
- to monitor the development of the financial-banking market and the general economic and investment environment;

The detailed duties of the CIO are set out within the internal procedures SAI Muntenia Invest SA

The internal control system is established at the level of the Manager at an appropriate hierarchical level and reports directly to the Board, is independent from the operational and support organisational structures it oversees.

The internal control system ensures the verification of the adequacy of processes for identifying, assessing, monitoring, managing and reporting risks, the reliability of financial and non-financial information reported internally and externally and their compliance with applicable specific legislation, as well as with the Manager's internal decisions.

KEY FUNCTIONS

Within the Manager, people holding key functions are the ones whose duties have a significant influence on the achievement of the Company's strategic objectives, who are not part of the management structure, and fulfil the following duties:

- risk assessment and management;
- compliance;
- internal audit.

The duties of key functions are allocated, in accordance with the specific legislation applicable to the Company, to individuals who possess the necessary skills and professional experience. The Company Manager applies internal procedures regarding the assessment of good reputation and integrity both for its own staff holding key functions and for the staff holding outsourced key functions. The Company Manager includes in its internal procedure provisions concerning the transmission of information necessary for fulfilling the duties of the key functions. The duties and responsibilities assigned to the individuals holding key functions within the Company Manager are presented below.

THE RISK MANAGEMENT

The risk management function is functionally and hierarchically separate from business units, including from the portfolio management functions.

Risk management represents all activities aimed at identifying, quantifying, monitoring and controlling risks, so as to ensure compliance with the principles of the general risk policy. Effective risk management is considered vital for achieving the strategic objectives and for ensuring the quality of shareholder benefits on an ongoing basis. In this context, the strategy for managing significant risks provides the framework for identifying, assessing, monitoring and controlling these risks, in order to maintain them at acceptable levels depending on the risk appetite and the capacity to cover (absorb) such risks.

The risk management system and its effectiveness are monitored by the Exec. Mgt., by the Audit Committee and by the BoD of the Manager.

The Risk Management Department reports to the BoD and the exec. Mgt. and has, primarily, the following duties and responsibilities:

- to assist the BoD in establishing the organisation's risk appetite and to ensure its implementation within the institution through the risk management infrastructure;
- to identify and assess significant risks related to the Manager and the Company;
- to monitor significant risks related to the Manager and the Company;
- to communicate to the BoD, on a regular basis, up-to-date information regarding compliance with the risk profile communicated to investors and with the established and approved risk limits, as well as the coherence between these limits, as well as the adequacy and effectiveness of the risk management process, indicating whether appropriate corrective measures have been or will be taken in the event of existing or anticipated deficiencies;
- to quantify the impact of significant risks on the agreed risk profile for the Company's portfolio;
- to develop and implement risk management policies and procedures (identification, assessment, monitoring, and control) for the Company;
- to provide regular risk reports to the Exec. Mgt., highlighting the current level of risk to which the Company is exposed and any actual or foreseeable breaches of risk limits, enabling timely and appropriate action;
- to conduct stress testing with the frequency and under the conditions set out in internal procedures and applicable FSA regulations;
- to prepare an annual report on the risk management activity, which is also communicated to the FSA.

THE COMPLIANCE DEPARTMENT

The Compliance Department ensures the supervision of the Manager/Company and its staff with respect to compliance with the capital market legislation in force, as well as with internal regulations and procedures. The Compliance Officer carries out its activity in accordance with the applicable regulations and with the written procedure on compliance verification, as approved by the BoD.

The representative of the Compliance Department is subject to FSA authorisation and is registered in the FSA public register. In fulfilling its responsibilities, the representative of the Compliance Department reports directly to the BoD and notifies the Exec. Mgt.

The representative of the Compliance Department has access to any relevant information so as to be able to perform the duties assigned to him/her.

The Compliance Department mainly the following duties and responsibilities:

- to monitor and periodically assess the adequacy and effectiveness of the measures, policies and procedures established in accordance with applicable regulations, as well as the actions taken to remedy deficiencies regarding compliance with the obligations arising from the applicable regulations. To exercise all necessary efforts to prevent and propose measures to remedy any situation of non-compliance with legal provisions, capital market regulations, or internal procedures.
- to endorse documents submitted to FSA for obtaining the authorisations required under the applicable regulations, as well as reports submitted to the regulatory and supervisory authority and to capital market entities, to ensure that these are transmitted within the legal deadlines;
- to review and endorse the Company's informational/advertising materials;
- to verify compliance with prudential regulations;
- to maintain direct contact with the FSA;
- to verify the inclusion of legal provisions in internal procedures;
- to verify the effectiveness of the information system and internal procedures;
- to verify the effectiveness of the risk control system;
- to keep, at the Company's registered office, a secure electronic Unique Petition Register, organised by calendar year, in which all petitions are recorded chronologically, in order of receipt, in accordance with internal procedures approved by the BoD and FSA regulations; to keep a register recording investigations carried out, their duration, the period they refer to, the results of the investigations, the proposals submitted in writing to the BoD/Managers of the Company Manager, and the decisions taken by the persons empowered to adopt remedial measures;
- to inform the BoD/Managers whenever, in the course of its activity, it becomes aware of breaches of the legal regime applicable to the capital market, including breaches of the Company Manager's internal procedures;
- to monitor the implementation of corrective measures for irregularities identified during the investigations carried out;
- to prepare and submit to the BoD, within the legal deadline, the Annual Control Report regarding: the activity performed, the investigations carried out, the irregularities identified, the proposals made, and the investigation programme/plan proposed for the following year;
- to submit to the FSA, within the legal deadline, the Annual Control Report, the endorsed proposals, and the investigation plan approved by the BoD;

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- to monitor situations of potential conflicts of interest and compliance with the rules regarding personal transactions of relevant persons.

THE INTERNAL AUDIT

The Company Manager establishes and maintains on a permanent and operational basis the internal audit function, which operates independently from other functions and activities and reports directly to the BoD.

The internal audit function is an independent and permanent function, organised in accordance with the relevant legislation (the regulations and guidelines issued by CAFR), having the mission of determining whether the entity's risk management, compliance and governance systems, as designed and implemented by management, operate effectively to ensure that:

- the risks are properly identified and managed;
- the communication and interaction with those responsible for the entity's management and governance takes place whenever necessary;
- the financial and operational information is appropriate, complete, faithfully reflects the transactions and economic events, and is provided in a timely manner to those responsible for using it in operational, administrative, and compliance-related decisions;
- the Company Manager's strategy, plans, and activity programmes are fulfilled;
- the employees' activities comply with internal policies and procedures, as well as with the legislative requirements applicable to the Manager's and the Company's field of activity;
- the resources are acquired based on needs, are used efficiently, and are properly safeguarded;
- the Manager's compliance system takes into account the principles of quality and continuous improvement – this being achieved through the periodic review of procedures and operational flows, through the analysis of actual results compared with the strategy and business plan, and through the period assessment of the competence and performance of employed human resources;
- the legislative and regulatory changes are addressed promptly, and their impact is analysed at the level of both the Manager and the Company, in order to implement the requirements arising therefrom.

The BoD and the persons holding management positions within the Manager are responsible for ensuring an internal audit activity that is appropriate and proportionate to the Manager's size and the nature of its operations.

According to the Manager's internal procedures, the internal auditor may be employed within the organisation or the activity may be outsourced. The BoD appoints the person(s) responsible for performing this function; and, there the function is outsourced, it approves the internal audit contract.

The internal auditor reports to the BoD and to the Audit Committee for:

- preparing an annual assessment of the effectiveness of the compliance and risk management system in the areas where the auditor has planned its work missions;
- reporting deficiencies and/or significant issues identified during work missions regarding organisational arrangements, compliance, and risk management;
- including in the reports recommendations for remedying and/or improving workflows/work processes;
- providing periodic information on the status and level of completion of the missions included in the annual plan, as well as an assessment of the need for resources allocated to the internal audit activity;
- coordinating the review of the activities of other monitoring and control functions – risk management and compliance;

From an administrative standpoint, the internal audit function is subordinated to the Exec. Mgt.

The internal auditor mainly has the following responsibilities:

- to ensure that the internal audit is carried out in accordance with the international standards and the provisions of CAFR, and that the provisions of the Code of Ethics of the profession are observed;
- to develop and maintain a quality assurance and improvement program for the internal audit activity;
- to monitor and assess the effectiveness of the internal audit quality assurance program;
- to prepare the audit plan based on a risk analysis and to submit it for approval to the BoD and the Audit Committee; the audit plan may also take into account specific investigation or control requests from the Audit Committee, the BoD, and the Exec. Mgt. The audit plan must include objectives, deadlines and frequency of audit engagements;

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- to define the operational budget and to ensure that the qualified staff is appropriately allocated to audit activities (knowledge, skills, and experience);
 - to ensure the preservation of the audit staff's competencies through continuous professional development, including the updating of certifications relevant to the profession;
 - to ensure the documentation and substantiation of the internal auditor's professional competence;
 - to request support from external experts/consultants (if necessary, with the prior approval of the Exec. Mgt.), for carrying out specific activities, in order to ensure the required technical skills are available for each business line and support function;
 - to assess significant transactions and operations, as well as control activities related to new or amended processes, during their development, implementation and consolidation phases;
 - to report structural deficiencies within operational workflows, control processes and internally formalised procedures, recommending relevant solutions and monitoring their implementation;
 - to issue audit reports within the established deadlines, identifying deficiencies for each audit engagement, and including suggestions and recommendations for the deficiencies identified. Audit reports must be submitted to the management of the audited structure, the Audit Committee, and the BoD;
 - to periodically monitor the implementation of recommendations;
 - to monitor the consistency of the activities performed in accordance with the Audit Plan, highlighting any deviations and identifying corrective measures;
 - to directly and proactively communicate to the Exec. Mgt. the occurrence of unusual and potentially dangerous situations for the entity's management, signalling procedural deficiencies, serious errors and the emergence of imminent risk situations.

THE DESIGNATED PERSON FOR ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING (AML/CFT)²

The AML/CFT Designated Person, within the meaning of Regulation no. 13/2019 on the establishment of measures to prevent and fight against money laundering and terrorist financing through financial sectors supervised by the Financial Supervisory Authority (namely the directly responsible AML/CFT officer and the AML/CFT compliance officer), for the implementation of Law no. 129/2019 for the prevention and fighting against money laundering and terrorist financing, as well as for the modification and completion of normative acts (Law no. 129/2019), as well as of Regulation no. 13/2019 on the establishment of measures to prevent and fight against money laundering and terrorist financing through financial sectors supervised by the Financial Supervisory Authority (FSA Regulation no. 13/2019)

The AML/CFT Designated Person (namely the directly responsible officer and the compliance officer, as defined under FSA Regulation no. 13/2019) for the prevention and fighting against money laundering and terrorist financing within the Company Manager, in dealings with the National Office for the Prevention and Combating of Money Laundering (ONPCSB) and the FSA, has direct and timely access to the data and information necessary for fulfilling the duties established under Law no. 129/2019 and FSA Regulation no. 13/2019 and holds specific duties set by decision of the Exec. Mgt. and through internal procedures.

Employees of the Manager working in departments that carry out activities related to the implementation of Law no. 129/2019 have, in their job descriptions, obligations regarding compliance with the applicable internal procedures.

The Company Manager approves and implements internal policies and rules, internal control mechanisms and AML/CFT risk management procedures that ensure the establishment of the risk profile associated with the activity carried out, customer due diligence, and the submission of reports to the competent authorities.

The Company Manager has the obligation to prepare and maintain records regarding new clientele, namely to record the identity of customers and beneficial owners before initiating any business relationship or carrying out transactions on behalf of the customer/beneficial owner. The Manager shall not open or operate anonymous accounts, nor accounts for which the identity of the holder or beneficial owner is not known and properly documented.

The Company Manager keeps records (secondary or operational) and entries of all financial operations subject of Law 129/2019 for a period of 5 years from the termination of the business relationship or from the performance of the

² AML/CFT - anti-money laundering and terrorist financing

occasional transaction, respectively, or for a longer period, upon request of the Office or other authorities, regardless of whether the account has been closed or the relationship with the customer has ended, in an appropriate form. The records must be sufficient to allow the reconstruction of the individual transaction, including the amount and type of currency, in order to provide evidence in court, if necessary. In fulfilling the duties established under Law no. 129/2019 and FSA Regulation no. 13/2019, the designated person has direct and permanent access to all records prepared by the Manager in accordance with applicable legal provisions, verifies customer records, prepared and keeps records of its own reports, and may be assisted by a support structure within the Manager.

THE CONFLICT OF INTEREST AND TRANSACTIONS IN FINANCIAL INSTRUMENTS BY RELEVANT PERSONS

The Manager establishes, implements, and applies an effective conflict-of-interest policy that takes into account its size and organisational structure, as well as the nature, scale and complexity of its activity and that of the Company.

All employees of SAI Muntenia Invest are required to report to the BoD/Exec. Mg., as applicable, and to the Manager's control functions, any situations that create or may create conflicts of interest, in a timely manner, so that the necessary measures for their management can be taken.

In order to ensure a solid framework for managing conflicts of interest, the Company Manager:

- acts with honesty, fairness, and professional diligence, in order to protect investors' interests and market integrity;
- uses all resources efficiently and applies the procedures necessary for the proper conduct of its activity;
- monitors the avoidance of potential conflicts of interest, and when such conflicts cannot be avoided, ensures that the Company benefits from fair and impartial treatment;
- ensures that the voting rights attached to the financial instruments belonging to the Company are exercised exclusively in its interest, based on an adequate and effective strategy for determining the timing and manner of exercising the voting rights attached to instruments held in the managed portfolios, while respecting investors' right to information;
- prevents fraudulent practices, including those reasonably expected to affect market stability and integrity.

The Manager establishes the main rules and measures that may be adopted in the decision-making process for preventing and managing conflicts of interests and is responsible for implementing and complying with the working procedure regarding the prevention and management of conflicts of interests.

In order to properly comply with legal provisions in force regarding the prevention and adequate management of conflicts of interests, the Manager has in place the Risk Management Department and the Compliance Department, which ensure the prevention or proper handling of situations that may have a negative impact on the Company, through the use of specific processes, mechanisms and techniques related to preventing and managing conflicts of interests posing a significant risk of harming investors.

Through the functional departments with specific duties, and through the reports prepared by them according to their duties, the BoD has permanent access to relevant information regarding potential conflicts of interests that affect or may affect the Manager's activity, and is also informed about legal, material, operational and financial aspects that could have an impact.

The internal system for preventing conflicts of interest is represented by the functional departments within the Manager's organisational structure. These departments manage and monitor potential conflicts of interest that may arise on an ongoing basis, alongside the daily operational activities. These organisational structures are required to report identified conflicts of interest to the management bodies and, where applicable, to the Manager's control functions.

The Manager assesses, based on the reports prepared by the departments, conflicts of interest that may arise in transactions carried out by the Company with related parties. Likewise, the BoD, based on the departments' notes, assesses conflicts of interest related to transactions of issuers in the Company's portfolios and their subsidiaries with related parties.

In the event of a conflict of interest involving a member of the BoD, that member shall abstain from discussions and voting on the respective matters, in accordance with the applicable legal provisions, and the justified abstention shall be recorded in the minutes of said meeting.

The Exec. Mgt. establishes protective measures against conflicts of interest, periodically reviews them, and adopts corrective actions for deficiencies identified based on the reports received from the Compliance Department, the Risk Management Department, or other organisational structures within the Manager. In its operational approach,

it focuses on the main potential conflicts of interest that may arise from representation activities in relations with third parties, from day-to-day conduct of operations, from measures taken to implement the Revenue and Expenditure Budget, and especially from compliance with investment strategies and the optimal management of assets.

In the event of a potential conflict of interest involving a member of the Exec. Mgt., that member shall abstain from making a decision, and the decision shall be taken by the person acting as their substitute, in accordance with the provisions of the decision-making procedure. The substitute shall decide while taking into account all provisions related to conflicts of interest included in the applicable procedure. To the extent that the decision requires the approval of the BoD under the decision-making procedure, the explicit approval of the BoD shall be requested for the said matter, and such approval shall consider the interests of the managed entities and of the investors.

Identifying situations that may generate conflicts of interest is particularly important when there is a prospect of obtaining a financial gain or avoiding a financial loss, or when financial or other types of incentives are provided that may influence the Company's behaviour in favour of particular interests of the Company/relevant persons, to the detriment of the Company's or its investors' interests.

The Manager separates, within its working environment, tasks and responsibilities that may be considered incompatible or that may potentially generate conflicts of interest. It prevents and manages conflicts of interest so that relevant persons involved in activities that entail a risk of conflict of interest carry out those activities with a degree of independence appropriate to the Manager's size and activities, as well as to the materiality level of the risk of harming the Company's or its investors' interests.

The Manager conducts an annual assessment to determine whether its internal operating regulations may involve or generate conflicts of interest that cannot be prevented or avoided through those regulations.

When relevant persons carry out personal transactions, as well as when the Manager carries out transactions on behalf of the Company, the prohibitions set out in the Policies and Procedures on conflicts of interest are taken into account.

According to this internal procedure, for all personal transactions carried out by relevant persons, they must submit to the Manager a report containing information regarding those transactions. These transactions are recorded in the Manager's personal transactions register, together with any authorisation or prohibition related to such transactions.

It is prohibited for members of the BoD, the Exec. Mgt. of the Manager, as well as any person with whom the Manager/Company has concluded an employment, mandate or service-provision contract, to use privileged information related to the Company's investment policy when carrying out transaction with financial instruments held in their own portfolio.

It is also prohibited for members of the BoD, the Exec. Mgt. of the Manager, as well as any persons with whom the Manager/Company has concluded an employment, mandate or service-provision contract, to disseminate information regarding transactions that the Company intends to carry out with financial instruments held in its portfolio.

The Company fulfils its institutional reporting and disclosure obligations through the methods specified by FSA and BVB regulations, including publication on its website and in specialised media.

THE CORPORATE INFORMATION REGIME

The BoD has an effective system for communication and transmission of information, that prevents the disclosure of confidential information. For this purpose, the Manager has adopted a procedure ensuring the security, integrity and confidentiality of the information.

The management of information security is undertaken both by top-level management and by heads of the functional structures of the Company Manager. All of them are responsible for assigning the duties required by the security policy and procedures, and for allocating and efficiently using the necessary resources, so as to ensure real protection of the data and information, as well as adequate control of services. The responsibility for the protection and security of Company's assets lies directly with the owners of those resources.

Company information and its infrastructure are secured against threats, such as mishandling or destruction, corruption, unauthorised access, unauthorised processing or suspicious transactions, unauthorised dissemination of customer-related information or other confidential information, and accidental or intentional errors.

These protective measures govern both information and internal and external IT systems, ensuring information management practices that comply with internal legal requirements and international best practices.

Securing the Company Manager's information and IT systems is strategically and critically important for the efficiency and continuity of the Company's activity. In this regard, the following principles are taken into account:

- the protective measures for IT resources must align with business requirements, the level of risk exposure, the efficiency and the value of the resource.
- the implementation of information security must be practical and achievable ensuring a balance between the level of protection and efficiency.
- information security starts from a process of managing incidents, threats and inherent risks.
- employees, consultants, business partners and other related parties associated with and/or providing services to the Manager/Company must ensure that their actions comply with the information security policies and applicable procedures.

The Department with duties in this regard prepares current communications/report/periodic reports, which are made available in accordance with the specific legislation applicable to the Company, within the required reporting deadlines. The information disseminated to the public is complete, accurate and provided in a timely manner, enabling objective investment decisions.

The Company Manager continuously updates the “Information for Investors” section on the Company website.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ASPECTS

The European Union has launched a legislative programme aimed at integrating environmental, social and governance aspects into the regulation of the financial services sector.

As part of this programme, was issued the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, with an implementation deadline in March of 2021. Subsequently, the Regulation (EU) 2020/852 (“the Taxonomy Regulation”) was published, on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. The aspects related to the fulfilment of EU objectives on the mitigation of and adaptation to climate change entered into force on 1 January 2022, while the provisions concerning the transition to a circular economy, the sustainable use and protection of water and marine resources, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems entered into force on 1 January 2023. Given the differing interpretations among Member States regarding what constitutes a “sustainable investment”, the European Commission considered a common taxonomy to be necessary.

With the adoption of Commission Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 financial-market participants who do not consider the adverse impacts of their investment decisions on sustainability factors are required to publish on their website, in a separate section entitled “Disregard of the adverse impacts of investment decisions on sustainability factors”, the following:

- (a) a clear statement indicating that the financial market participant disregards any adverse impacts of its investment decisions on sustainability factors;
- (b) the reasons why the financial market participant disregards any adverse impact of its investment decisions on sustainability factors and, where applicable, information regarding the financial market participant’s intention to consider or not consider such adverse impacts, making reference to the indicators listed in Table 1 of Annex I, and, if so, the timeframe for such consideration.

The Environmental Impact of the Activity

In the investment process, the Company does not take into account EU criteria on environmentally sustainable economic activities, including transition activities, within the meaning of the Taxonomy Regulation. The Company’s sole business objective consists of activities specific to investment companies, its main field of activity being NACE code 64 - Financial service activities, except insurance and pension funding. Therefore, the Company’s activity does not have a direct and significant impact on the environment. With regard to the activity of the companies in the portfolio, Longshield Investment Group SA aims to monitor and inform investors about their ESG reporting.

Social Responsibility

The Company continuously carries out activities related to corporate social responsibility, supporting each year, directly or through specialised foundations/associations, disadvantaged categories within the community in which it operates. The Company also contributes to supporting scientific, cultural, sports, medical, educational and environmental initiatives, as well as events of domestic or regional interest.

Longshield Investment Group S.A.

Through its Manager,

SAI Muntenia Invest S.A.

CEO,

Ștefan DUMITRU