



**CORPORATE GOVERNANCE REGULATION OF
SIF MUNTENIA SA**

updated August 2020

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ABBREVIATIONS

SIF Muntenia S.A. – The Company

SAI Muntenia Invest S.A. – The Asset Management Company

Financial Supervisory Authority - A.S.F.

Romanian Securities and Exchanges Commision - C.N.V.M.

General Shareholders' Assembly - A.G.A.

SIF Muntenia's Supervisory Board. – C.R.A.

SAI Muntenia Invest Board of Directors – CA

SAI Muntenia Invest Executive Management - CE

Romanian Financial Auditors' Chambre – C.A.F.R.

Bucharest Stock Excjange – B.V.B

PREAMBLE

Corporate governance is the set of principles underlying the management of a regulated entity, whose purpose is to protect and harmonize the interests of all categories of participants in the activity of the regulated entity, namely administrators, directors, employees, clients and business partners, central and local authorities, etc.

The corporate governance regulation of SIF Muntenia SA (the Company) presents, in a synthetic form, the corporate governance structures, the rules and the decision-making procedures, the governance standards that ensure the application of the general principles of administration and control of the Company's activity, for the benefit of the Company's shareholders.

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

The company adhered to the rules and principles of corporate governance provided by the specific legislation, as well as by the Corporate Governance Code of the Bucharest Stock Exchange (BVB).

Adherence to the rules and principles of corporate governance in the Corporate Governance Code of the BSE was achieved starting with the annual report for the financial year 2010.

The corporate governance system applied complies:

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

Starting with the year 2016, the annual Report on the administration of the Company, contains annexed the Declaration on the application of the principles of corporate governance drawn up according to the FSE Regulation no. 2/2016 and the situation of compliance with the provisions of the Corporate Governance Code of the BSE. At the same time, the declaration regarding the application of the principles of corporate governance prepared according to the FSE Regulation no. 2/2016, with the subsequent modifications and completions, can also be found on the Company's website, in the section "Corporate Governance".

The annual report of the Company includes a chapter dedicated to corporate governance, which describes the relevant events related to the application of the principles of corporate governance, recorded during the financial year for which the report is prepared.

The Company applies and maintains appropriate policies and procedures to ensure that the board members, executive management and persons holding key positions have the necessary professional competence and experience and consistently meet the requirements of good reputation and integrity, in accordance with the regulations in force, incidents on the capital market.

The main normative acts governing the Company's activity:

- Capital Market Law no. 297/2004, with subsequent completions and amendments;
- Law no. 24/2017 on issuers of financial instruments and market operations;
- Law 31 / 1990R on trading companies, republished with subsequent amendments and completions;
- Law no. 74/2015 on Alternative Investment Fund Managers;
- Law no. 82/1991 on accounting, republished
- Law no. 227/2015 regarding the Fiscal Code, with subsequent amendments and completions;

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- GEO 32/2012 on undertakings for collective investment in transferable securities and investment management companies, as well as for amending and completing the Law no. 297/2004 on the capital market;
 - ASF Regulation no. 2/2016 on the application of the principles of corporate governance by entities authorized, regulated and supervised by the Financial Supervisory Authority;
 - ASF Regulation no. 9/2014 on the authorization and operation of investment management companies, undertakings for collective investment in transferable securities and depositaries of undertakings for collective investment in transferable securities;
 - ASF Regulation no. 10/2015 on the management of alternative investment funds;
 - CNVM Regulation no. 15/2004 on the authorization and functioning of investment management companies, collective investment undertakings and depositaries, as subsequently amended and supplemented;
 - ASF Regulation no. 1 / 2019 regarding the evaluation and approval of the members of the management structure and of the persons holding key positions within the entities regulated by the Financial Supervisory Authority;
 - ASF Regulation no. 5/2018 on Issuers of Financial Instruments and Market Operations;
 - EU Capital Market Regulations (EU Directive 2011/61/EU on Alternative Investment Fund Managers, EU Reg. No 231/2013, EU Reg. 679/2016, EU Reg. 596/2014)
 - Rule no. 39/2015 for the approval of accounting regulations in accordance with International Financial Reporting Standards applicable to entities authorized, regulated and supervised by the Financial Supervision Authority of the Financial Instruments and Investments Sector;
 - Rule no. 4/2018 on the management of operational risks generated by computer systems used by authorized / registered / registered entities, regulated and / or supervised by the Financial Supervisory Authority;
 - The Company Articles of Incorporation;
 - Bucharest Stock Exchange Rulebook;
 - Other normative acts that may impact Company's activity and its organization and operation.

1. CORPORATE GOVERNANCE STRUCTURES

The company is a Romanian legal entity, constituted as a joint stock company with private capital. The functioning of the Company is regulated by the provisions of the ordinary Romanian laws and those of special character, incidents in the field of financial investment companies, as well as the provisions of its articles of incorporation.

In accordance with the articles of incorporation, the Administration of the Company is carried out on the basis of a management contract concluded with the Investment Management Company Muntenia Invest SA (SAI Muntenia Invest).

The company is registered in the FSE Register of financial instruments and investments in the section Alternative or closed investment companies, with no. PJR09SIIR / 400005.

During the period between the General Meetings of the Shareholders (GMS), the activity of SAI Muntenia Invest is supervised by the Shareholders Representatives Council (SRC), a supervisory body made up of 3 natural persons elected by the GMS, with a mandate of 4 years. The duties and responsibilities of the SRC are established by the Company's Articles of Incorporation.

1.1. THE GENERAL MEETING OF THE SHAREHOLDERS

The Company's supreme governing body is the General Meeting of Shareholders (GMS). The general meetings are ordinary and extraordinary.

The ordinary general meeting shall meet at least once a year within four months of the end of the financial year. The Extraordinary General Meeting will be convened whenever necessary.

The attributions of the GMS are specified in the Articles of Incorporation and comply with the legal provisions in force. The Articles of Incorporation is published on the Company's website, www.sifmuntenia.ro. The decisions of the general meeting are taken by open vote or by secret vote. The secret vote is compulsory in the case of the appointment of the SRC members or their revocation, the appointment or dismissal of the administrator, as well as for the appointment or dismissal of the financial auditor and for taking decisions regarding the responsibility of the members of the administrative bodies. The decisions of the GMS, taken in compliance with the law and the Articles of Incorporation, are binding on all shareholders, including those who did not attend the meeting or who voted against the respective decision.

The GMS is chaired by one of the permanent representatives appointed by the administrator SAI Muntenia Invest and registered with the Trade Register as legal representatives of the Company.

The General Meeting are convened by the SAI Muntenia Invest at least 30 days before the date set for the deployment. The Board of Directors of SAI Muntenia Invest approves procedures regarding the orderly and efficient organization and performance of the GMS work, in accordance with legal provisions and incidental FSE regulations. The procedures for participation and voting in the GMS are made available to the shareholders, at the headquarters of the Company and displayed on the Company's website (www.sifmuntenia.ro), together with the information and materials regarding the general meeting: GMS convening notice, informative materials and documents subject to the GMS debates and approvals, the special empowerment forms and the ballot papers by correspondence, the decisions adopted by the GMS and the result of the vote for each item on the agenda. The decisions taken within the GMS are reported to FSE and BSE, are published in a national circulation daily and in the Official Gazette, Part IV.

SAI Muntenia Invest does all the due diligence to ensure fair treatment of all shareholders of the Company, regardless of the number of shares held, including non-resident shareholders, by providing them with relevant and current information.

1.2.THE SHAREHOLDERS REPRESENTATIVES COUNCIL (SRC)

SRC is a body that represents the interests of the shareholders of the Company in relation with its administrator, based on a budget approved by the Company GMS.

Individuals who can apply for a place in the SRC must meet the following conditions:

- not be employees or administrators of a SAI or other asset management company and have no contractual relationship with the Company or its administrator;
- not to have been convicted by a final sentence for fraudulent management, abuse of trust, falsehood, use of falsehood, deception, misappropriation, false testimony, giving or taking bribe;
- to be a graduate of a higher education institution with a license or diploma exam;
- to have at least five years of experience in the financial-banking, capital market, company management or university education;
- not to hold, directly or jointly with the spouse, the relatives up to the third degree or the relatives up to the second degree, more than 5% of the depositary's share capital with which the Company has concluded a depositary contract;
- not to have been sanctioned by a regulator of financial markets with the prohibition to exercise professional activities;
- not to be found in any other state of incompatibility provided by the legal provisions in force or by the present articles of incorporation;

The Shareholders Representatives Council has the following attributions:

- represents the Company in relation to its administrator;
- negotiates and concludes the administration contract;
- follows the way in which the contractual clauses and commitments assumed by the administrator are respected by the management contract and by the management program approved by the General Meeting of the Shareholders of the;
- analyzes the periodic reports drawn up by the administrator regarding the way in which he exercised his attributions regarding:
 - The Company's administration;
 - exercising the rights conferred by holding the securities in the Company's portfolio;
 - defending the rights and interests of the Company before the courts, arbitrators as well as any bodies with jurisdictional and administrative powers;
- calls for measures to be taken to include the administrator's activity in the provisions of the management contract, the FSE regulations, the annual management programs, the revenue and expenditure budgets approved by the General Meeting of the Shareholders of the Company and the applicable legislation;
- verifies the conclusion of the contract with the financial auditor according to the decision of the General Meeting of the Shareholders of the Company;
- verifies the preparation of the annual financial statements by the administrator and the proposals for the distribution of the profit to be submitted for approval by the General Meeting of the Shareholders of the Company;
- verifies the preparation of the annual program regarding the management of the Company's portfolio;
- verifies the preparation of the project of the Income and Expenditure Budget of the Company, in order to present it in the General Meeting of the Shareholders of the Company;

- verifies the preparation of the semi-annual and quarterly reports of the administrator in accordance with the legal provisions and the FSE regulations;
- verifies the preparation of the materials to be presented at the General Meeting of the Shareholders of the Company;
- verifies the conclusion of the depositary contract, respectively of the contract with the Depozitarul Central.

1.3.THE COMPANY'S MANAGER

The company is managed by SAI Muntenia Invest on the basis of the management contract approved by CNVM through the Notice no. 35 / 15.06.2006.

SAI Muntenia Invest is represented by the three members of its Board of Directors, as well as by the permanently appointed representatives. The members of the Board of Directors of SAI Muntenia Invest are elected by the GMS for a period of 4 years, with the possibility of being re-elected. The members of the Board of Directors of the SAI Muntenia Invest must cumulatively fulfill the general conditions provided by Law no. 31/1990 on companies, supplemented by those established by Law no. 297/2004 regarding the capital market, Law no. 74/2015, Law no. 24/2017 and the regulations of the Financial Supervisory Authority (FSE). The members of the Board of Directors of SAI Muntenia Invest are authorized by the FSE.

The Board of Directors elect a chairman from among its members. The structure and composition of the Board of Directors of SAI Muntenia Invest are in accordance with the requirements of the applicable specific legislation, so that the Company can effectively fulfill its obligations. The structure of the Board of Directors ensures a balance between the executive and non-executive members, so that the decision-making process of the board cannot be dominated by a person or a small group of people. The obligations of the manager are regulated by the provisions regarding the mandate and those specifically provided for by Law 31/1990, as subsequently amended and supplemented, by the capital market legislation, by the applicable CNVM / FSE regulations, by the provisions of the manager and the Company's articles of incorporation, as well as the provisions of the Management Contract.

The Board of Directors of SAI Muntenia Invest can set up advisory committees made up of the members of the council, charged with conducting investigations and elaborating recommendations for the council, in areas such as audit, remuneration of administrators, directors, staff, nomination of candidates for the various management positions. The Board of Directors establishes the powers and functionality of the committees set up.

The delegation of the responsibilities of the board to the executive / senior management is carried out in accordance with the provisions of the Companies Law no. 31/1990, republished, as subsequently amended and supplemented, and of the specific legislation applicable to the Company. The Board of Directors is responsible for the strategic management of the Company, the fulfillment of the established objectives and the elaboration of the business plan and has the obligation to carry out the evaluation of the financial position of the Company.

The decision-making process is a collective responsibility of the Board of Directors, which will be held jointly and severally responsible for all decisions taken in the exercise of its powers. The members of the Board of Directors have the knowledge, skills and experience adequate to understand the activities of the Company and the risks to which the company is subject.

The Board and executive management, as appropriate, regularly review the policies regarding financial reporting, compliance and risk management system adopted by the Company.

SAI Muntenia Invest periodically reviews the internal policies and procedures regarding financial reporting, internal audit, compliance and risk management system, in order to align them to possible legislative changes, as well as for the operational improvement of internal systems. The Board of SAI Muntenia Invest regularly reviews the efficiency of the compliance system and how it is updated in order to ensure a rigorous management of the risks to which the Company is exposed.

The Board of Directors analyzes and establishes the remuneration policy of the Company's manager so that it corresponds to the business strategy, objectives and long-term interests and includes measures to prevent conflicts of interest from occurring.

THE MANAGEMENT CONTRACT CONCLUDED WITH SAI MUNTENIA INVEST SA

SRC monitors the administration contract and receives periodically activity reports regarding the administration from the representatives of the SAI Muntenia Invest.

Both the initial form of the contract, as well as the additional documents concluded subsequently, entered into force only after obtaining the CNVM / FSE approval.

At the time of the elaboration of this regulation, SAI Muntenia Invest has the following contractual obligations regarding the management of the Company:

- a) to manage the Company's investments; In managing the Company's investments, SAI Muntenia Invest will carry out the following:
 - performs, on behalf of SIF Muntenia, the rights arising from the possession of financial instruments;
 - acquires financial instruments on behalf of the Company, using its financial resources;
 - trades financial instruments from the Company's portfolio, temporarily or definitively, partially or fully, including those through which real rights are constituted;
- b) to carry out activities regarding:
 - legal and accounting services related to SIF Muntenia administration;
 - market research;
 - evaluating the portfolio of SIF Muntenia and determining the value of the financial instruments issued by SIF Muntenia, including the fiscal aspects;
 - monitoring the compliance with the regulations in force;
 - conclusion of a contract with a company that holds the records of the holders of financial instruments issued by SIF Muntenia SA;
 - distribution of the revenues due to the shareholders of SIF Muntenia;
 - issuing shares of SIF Muntenia;
 - keeping the records of SIF Muntenia;
- c) to carry out specific activities regarding the marketing of financial instruments issued by SIF Muntenia SA.
- d) to carry out any other activities regarding the management of SIF Muntenia, in compliance with the provisions of the legislation in force and the CNVM / FSE regulations.

THE MANAGEMENT FEE ADVISED BY THE ADMINISTRATOR / REMUNERATION POLICY

The management fee for the Asset Management Company is specified in the management contract concluded between the Company and SAI Muntenia Invest. The management contract was approved by the AGA of the Company

1.4. THE ADVISORY COMMITTEES OF THE BOARD OF DIRECTORS OF SAI MUNTENIA INVEST

The Board of Directors may set up advisory committees made up of its members, which shall be responsible for conducting investigations and preparing recommendations for the Board. The Board of Directors establishes the powers and responsibilities of the committees set up.

THE AUDIT COMMITTEE

The Audit Committee is a permanent committee, subordinated to the Board of Directors. It assists the Board of Directors in fulfilling its responsibilities in the area of financial reporting, internal control and risk management. It supports the Board of Directors in monitoring the credibility and integrity of the financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by it.

The component of the Audit Committee is established by the Board of Directors of the administrator. The Audit Committee is composed of 2 non-executive members, both of whom are independent administrators. The members of the Audit Committee have experience corresponding to their duties within the committee.

The audit committee has the following main tasks:

- monitors the financial reporting process;
- ensures the access of internal and external auditors to information and resources and monitors the auditing of the annual financial statements, so that the financial reporting is completed according to the requirements of the legal regulations in force and of the financial calendar;
- verifies and monitors the independence of the financial auditor, especially if there are additional services provided by them for the administrator or the company;
- receives and analyzes all correspondence received from the financial auditors and the internal auditors of the administrator or the Company;
- analyzes the reports prepared by the financial and internal auditors of the administrator or of the Company;
- conducts investigations to identify the causes that led to the irregularities highlighted in the reports prepared by the financial and internal auditors of the administrator or of the Company;
- draws up and presents to the Board of Directors of the administrator analyzes and recommendations regarding the measures to be taken to improve the financial reporting process of the administrator or the Company;
- checks the compliance with the rules of business ethics;
- participates in the selection of the financial auditors of the administrator or of the Company;
- monitors the internal control, internal audit and risk management systems within the entity and presents annually to the Board of Directors a report on the effectiveness of these systems;
- proposes measures and makes recommendations to the Board of Directors of the administrator, if it finds that the internal control systems have been working with deficiencies;
- it ensures that the analyzes and reports drawn up by the internal auditors of the administrator or of the entities managed by it are in accordance with the audit plan approved by the Board of Directors.

The audit committee meets whenever it is necessary, at least semi-annually, to analyze the audit report and / or the opinion of the external auditor and the report prepared by the internal auditor, on the essential issues, which result from the audit of the annual financial statements. / semi-annual reports, as well as on the financial reporting process and recommends the measures to be taken, if necessary. The resolutions of the meetings of the Audit Committee are recorded in a register and presented to the Board of Directors.

THE REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is a permanent committee, with advisory function, subordinated to the Board of Directors.

CA appoints a 2 members Advisory Committee with respect to the following rules:

- Both members of the Advisory Committee must be non-executive persons in relation with the Company

- At least one of the appointed members is a non-executive member of the Board of Directors and complies with the provisions of art. 18 of ASF Regulation number 9 on 2019.

The role of the Nomination and Remuneration Committee is to advise/ to assist the Board of Directors in order to establish and to supervise the remuneration policies and practices together with the nomination and the valuation of the professional skills of the persons that are or that are to be appointed in the executive management of the Company.

In respect to its Remuneration Supervisory task, the Committee will be granted with the following rights:

- the committee can ask for qualified assistance other than the assistance provided by the executive management of the company;
- the committee has unrestricted access to all the data and information regarding the decision-making process and regarding to the development and the oversee of the remuneration system
- the committee has unrestricted access to all the data and information fulfilled by the person/persons appointed as risk managers or as compliance officers
- the committee is entitled to ask any appropriate question or to give any task to the compliance officer or to other employees that are involved in HR or other remuneration related activities

The composition of the Committee envisages that at the aggregate level, it will have sufficient professional skills and experience regarding risk management and control activities, more precisely with regard to the mechanism of aligning the remuneration structure with the risk and capital profiles of the company. The nomination and remuneration committee has mainly the following responsibilities:

- makes recommendations to the Board of Directors regarding the remuneration of the members of the management body, as well as of the staff members with the highest level of remuneration within the administrator;
- assists and advises the Board of Directors on remuneration policies applicable within the administrator;
- oversees the implementation and the proper operation of the remuneration system of the administrator;
- evaluates the mechanisms adopted to ensure that the remuneration system properly takes into account all types of risks and the level of liquidity and assets under management; a general remuneration policy corresponds to the strategy, objectives, values and professional interests of the administrator and the Company, as well as the interests of their investors;
- analyzes the possible consequences of some scenarios developed in order to test the possible impact on the remuneration system
- selects external remuneration consultants and makes proposals to the Board of Directors for the approval of the company for external consultancy or assistance, if applicable;
- directly supervises the remuneration of the persons in positions of risk management and compliance
- analyses the reports concluded by the executive management regarding the remuneration system of the Asset Management Company
- submits the remuneration policy to the approval of the Board and oversees the proper application of the approved policy
- concludes annual reports to the Board of Directors; the Remuneration and Nomination Committee is also entitled to submit reports to the Board whenever a special situation arises
- submits written reports to the Executive Management regarding unusual situations; in case the Committee notices problems regarding the remuneration policy, it will oversee the correction of the identified problems and it will see that the correct policy will be enforced by the Executive Management

- submits reports to the Board of Directors regarding the identified problems and regarding the answers received from the executive management in respect to the remuneration policies
- concludes periodic valuations regarding the professional profiles of the Management of the company and concludes reports to the Board
- prepares and submits the guidance lines for potential Board members/ executive managers selection, including criteria for independence valuation of the nominated persons
- concludes the valuation for potential candidates/ existing members of the Board/Executive Management and submits the conclusions for approval to the Board of Directors in order to obtain the appoint, the reappoint or the revocation of the valued person/persons
- prepares the valuation of the performance for all the Board members, using a self-valuation method
- values, at least once a year, the Board members independence
- performs, at least once a year, a check regarding the number of seats held by the Board Members and by the Executive Management in the Boards of Directors of other companies
- submits to the Board of Directors proposals regarding the appointment or the dismissal of the key persons and the compliance officer of the Asset Management Company

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

1.5.THE EXECUTIVE MANAGEMENT

The executive management is ensured in accordance with the provisions of the legal regulations in force and of the Internal Regulations of the Company's administrator, by three directors: the General Director, the Corporate Administration Director and the Strategy Director.

The executive management informs the Board of Directors about the activity carried out between its regular meetings.

The executive management is empowered to lead and coordinate the daily activity of the Company and may undertake the Company's liability within the limit of the mandate granted by the Board of Directors.

The General Manager (s) is / are appointed by the Board of Directors of SAI Muntenia Invest and ensures the effective management of the Company.

THE GENERAL DIRECTOR

According to the provisions of Law no. 31/1990 regarding the companies, the Board of Directors has delegated part of its powers to the General Director, within the limits established by law, the Articles of Incorporation and the decisions of the Board of Directors, except the powers reserved by law and / or the Articles of Incorporation to the general meeting of shareholders and board of directors.

The General Director has, mainly, the following duties:

- To prepare an annual activity report and submit it to the Board of Directors;
- To prepare or, as the case may be, to provide, any reports requested by the Board of Directors regarding the activity of the Company;
- To attend the GMS meetings, in accordance with the provisions of the applicable law, as well as the meetings of the Board of Directors;
- To inform immediately the Board of Directors, but not later than 24 hours, about the occurrence of any event likely to place the General Director in a situation of incompatibility provided by the applicable laws;

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- To exercise any other powers related to information and reporting, which may result from the applicable laws, the articles of incorporation, the decisions / decisions issued by the GMS / Board of Directors or the Internal Regulations.
 - To coordinate, manage and supervise the activity of the Company's manager, of the operational and functional compartments, in compliance with the tasks entrusted by the Board of Directors;
 - To establish the attributions, competences and responsibilities of the personnel of the administrator, by compartments, taking into account the norms established in this respect by the regulations in force in force;
 - To take all necessary measures in order to fulfill the objectives, business plans of the Company as well as any tasks entrusted by the Board of Directors and / or the GMS;
 - To elaborate the organizational chart and the status of functions within the administrator and to propose them to the Board of Directors for approval;
 - To coordinate the elaboration of the internal Rules and procedures and to propose them to the Board of Directors for approval;
 - To coordinate the elaboration of the Internal Regulations and to propose it to the Board of Directors for approval;
 - To propose to the Board of Directors the convening of the GMS to decide on the modification of the share capital, the object of activity, the change of the registered office of the Company;
 - To provide the organizational and methodological framework for the meetings of the Board of Directors;
 - To coordinate the elaboration and to propose to the Board of Directors the strategy and management policy that will be subject to the approval of the GMS of the Company;
 - To define the investment strategies for the Company in accordance with the provisions of the operating documents of the managed entities;
 - To approve the conclusion of contracts specific to the Company's activity;
 - To follow the observance of prudential regulations regarding the diversification of investments in financial instruments of the Company's portfolios and the dispersion of the risk of these investments, as well as compliance with the transparency rules established by the legislation and regulations in force;
 - To submit for approval the conclusion of management contracts, as the case may be, with the Company, the conclusion of contracts with depositors for the Company, distribution contracts, registry contracts, audit contracts, as well as financial audit contracts, on behalf of the Company, with respect legal provisions;
 - To coordinate the elaboration of the documents necessary for the functioning of the Company and to propose them to the Board of Directors for approval;
 - To pursue, through the specialized compartment, the exercise of voting rights arising from the possession of financial instruments by the managed entities, to various issuers, according to the internal procedures;
 - To ensure, both during the term of the mandate contract, and for a period of 3 years after its termination, the confidentiality of the data regarding the managed portfolio;
 - To have measures in order to respect the confidentiality of the data and information regarding the Company, sanctioning, according to the legal provisions and those of the specific documentation, any violation by the employees of the obligations assumed in this regard;

- To exercise any other competences related to the management, management and coordination of the Company's administrator. which may result from the applicable laws, the articles of incorporation, the decisions issued by the GMS / Board of Directors, the internal regulations;
- To plan, develop and direct the investment policy of the managed entities, together with the Corporate Management Director and the Strategy Director, based on the overall strategy approved by the Board of Directors and based on the legal regulations in force to ensure the maximum profitability of the Company's financial instruments portfolio;
- To approve investment projects within the competence limits approved by the Board of Directors.
- To coordinate the correlation of the information subsystems of the compartments in the organizational structure between them and the updating of the computer system used by the administrator.
- To notify the Board of Directors in writing of any acts, facts, actions, inactions, violations or circumstances that could endanger the achievement of the objectives set out in the Company's business plan, or of any tasks entrusted to it by the Board of Directors;
- To represent and employ the Company based on the mandate given to third parties, through the management contracts concluded with them and / or the operating documents of the Company and in accordance with the decisions of the Board of Directors.

THE CORPORATE ADMINISTRATION DIRECTOR

The Corporate Administration Director has, mainly, the following duties:

- Informs the Board of Directors whenever requested by any of its members regarding the activity of the company it coordinates.;
- Present an annual activity report to the Board of Directors;
- Coordinates and manages the activity of the departments: Financial Accounting, Distribution of Fund Units and Investor Relations, Administrative, Human Resources;
- Has signature and decision-making powers within the limits approved by the Board of Directors;
- Coordinates the elaboration of the financial plan for the Company and monitors the compliance with the budgets approved by the shareholders;
- Coordinates the activity of preparing the financial statements / annual financial statements of the Company;
- Coordinates the organizational development programs;
- It monitors the activity of the manager and proposes to the General Director measures to improve it;
- It aims to ensure the logistical support necessary for the good functioning of the Company's activity;
- Ensures the implementation of the decisions of the Board of Directors and of the decisions issued by the General Director for the segment he coordinates;
- Verifies and is responsible for applying the procedures on the coordinated segment;
- It aims to ensure an optimal relationship with the Company's partners in the coordinated activity segment;
- Take over the duties and competences of the General Director, in his absence.
- Immediately informs the General Director / Board of Directors, but not later than 24 hours, about the occurrence of any event that might place him in an incompatibility situation provided by the applicable laws;

- Exercises any other powers related to information and reporting that may result from the applicable laws, the articles of incorporation, the decisions / decisions issued by the GMS / Board of Directors or the Internal Regulations.

STRATEGY DIRECTOR

The Strategy Director has, mainly, the following duties

- Informs the Board of Directors whenever requested by any of its members regarding the activity of the company it coordinates.;
- Present an annual activity report to the Board of Directors;
- Coordinates and manages the activity of the compartments: Strategy and Net Asset Calculation, Risk Management and IT;
- Has signature and decision-making powers within the limits approved by the Board of Directors;
- Coordinates the activity of analysis of trends and prospects for the evolution of the economic environment;
- Coordinates the activity of sectoral analyzes in order to identify potential new development projects;
- Coordinates the elaboration of the projects for the constitution / functioning documents respectively when elaborating the proposals for amendments for the constitution / functioning documents of the Company;
- Follows the evolution of the financial-banking market and of the general economic and investment environment and coordinates the elaboration of macro-forecasts and sectoral forecasts for the sectors of activity corresponding to the Company;
- Coordinates the elaboration of substantiated proposals for periodic updating / revision of internal norms, procedures and methodologies;
- Monitor the administrator's activity and propose to the General Manager measures to improve it;
- It aims to ensure the logistical support necessary for the good functioning of the Company's activity;
- It follows the development of the information system, as well as the elaboration, development and observance of the procedures of information protection, according to the applicable laws;
- It follows the elaboration, signing and transmission of all the necessary documents and instructions in order to carry out by the depositary the specific activities regarding the deposit of the assets of the Company;
- Ensures the implementation of the decisions of the Board of Directors and of the decisions issued by the General Director for the segment he coordinates;
- Coordinates, controls and evaluates the activity of subordinate personnel;
- Verifies and is responsible for applying the procedures on the coordinated segment;
- It aims to ensure an optimal relationship with the company's partners in the coordinated activity segment;
- Take over the duties and competences of the Corporate Administration Director, in his absence;
- Immediately informs the General Director / Board of Directors, but not later than 24 hours, about the occurrence of any event that might place him in an incompatibility situation provided by the applicable laws;
- Exercises any other powers related to information and reporting that may result from the applicable laws, the instrument of incorporation, the decisions / decisions issued by the GMS / Board of Directors or the Internal Regulations.

1.6. KEY FUNCTIONS

Within the manager of the Company the persons holding key functions are the persons whose attributions have a significant influence on the achievement of the strategic objectives of the Company, which are not part of the management structure, fulfilling the duties of:

- risk assessment and management;
- compliance;
- internal audit.
- Compliance officer and the persons designated for the application of the law no. 129/2019 for the prevention of money laundering and combat terrorist financing, as well as for amending and supplementing normative acts

The duties of the key functions are allocated according to the specific legislation applicable to the Company, to persons who have competence and professional experience. The company applies internal procedures for the assessment of good reputation and integrity for both its own staff in key positions and for personnel in key functions outsourced. The company includes in the internal procedures provisions regarding the transmission of the information necessary to fulfill the duties of the key functions. The duties and responsibilities of the persons holding key functions within the administrator are presented below.

RISK MANAGEMENT

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

Risk management is the totality of the activities aimed at identifying, quantifying, monitoring and controlling the risks, so as to ensure that the principles of the general risk policy are respected. Effective risk management is considered vital in order to achieve strategic goals and to ensure the quality of shareholder benefits on a continuous basis. In this context, the strategy for managing significant risks provides the framework for identifying, evaluating, monitoring and controlling these risks, in order to maintain them at acceptable levels depending on the risk appetite and the ability to cover (absorb) these risks.

The risk management system and its effectiveness are monitored by the Effective Management, the Audit Committee and the Administrator's Board of Directors..

The Risk Management Department is hierarchically subordinated to the Strategy Director and mainly has the following responsibilities and responsibilities:

- assists the Board of Directors in establishing the risk appetite for the organization and ensures its implementation within the institution through the risk management infrastructure;
- identifies and evaluates the significant risks related to the administrator and the Company;
- monitors the significant risks related to the administrator and the Company;
- communicates to the Board of Directors ,regularly, updated information regarding the compliance of the risk profile communicated to the investors and the established and approved risk limits and the coherence between these limits, as well as the adequacy and effectiveness of the risk management process, indicating if they were or will be appropriate corrective measures are taken in case of existing or anticipated deficiencies;
- quantifies the influence of significant risks on the agreed risk profile for the Company's portfolio;
- elaborates and implements the policies and procedures for managing (identifying, evaluating, monitoring and controlling) the risk for the Company;

- Provides regular risk reports to the Executive Management, highlighting the current level of risk to which the company is exposed and any actual or foreseeable exceedances of the risk limits, in order to be able to take quick and appropriate measures;
- performs crisis simulations with the frequency and under the conditions provided for in the internal procedures and FSE regulations in force;
- Draws up an annual report on the risk management activity that it also communicates to the FSE.

COMPLIANCE COMPARTMENT

The compliance compartment ensures the supervision by the administrator / company and their staff of the legislation in force on the capital market, as well as the internal regulations and procedures. The compliance officer shall carry out his activity in accordance with the regulations in force and with the written procedure regarding the conformity checking activity, approved by the Board of Directors.

The representative of the compliance compartment is subject to the authorization of the FSE. and is registered in the public register of the FSE. In fulfilling the duties assigned to him by the representative of the compliance department, he reports directly to the Board of Directors of the Company's administrator and notifies the executive management of the administrator.

The compliance compartment representative shall have access to any relevant information so that he or she has the opportunity to perform the tasks assigned to him / her.

The Compliance compartment has, mainly, the following responsibilities and responsibilities:

- Regularly monitors and evaluates the adequacy and effectiveness of the measures, policies and procedures established in accordance with the regulations in force, as well as the actions taken to remedy the deficiencies regarding compliance with the obligations under the regulations in force. Performs all the due diligence to prevent and proposes measures to remedy any situation of non-compliance with legal provisions, regulations in force on capital market incidents or internal procedures.
- Approves the documents sent to the FSA in order to obtain the authorizations provided by the incident regulations in force, as well as the reports sent to the regulatory and supervisory authority and to the capital market entities and ensures that they are transmitted within the legal term;
- Analyzes and approves the informative / advertising materials of the Company;
- Checks the compliance with the prudential regulations;
- Keeps direct connection with the FSE;
- Verifies the inclusion of legal provisions in internal procedures;
- Verifies the efficiency of the information system and internal procedures;
- Verifies the effectiveness of the risk control system;
- Maintains at the Company's registered office a unique Register of petitions in secure electronic format, per calendar year, in which all the petitions are recorded chronologically, in the order of receipt, in accordance with the internal procedures approved by the Board of Directors and the FSE regulations; keeps a record of the investigations carried out, the duration of these investigations, the period to which they relate, the result of the investigations, the proposals submitted in writing to the Board of Directors / the Directors of the company and the decisions taken by the persons empowered to take remedial measures;
- Informs the Board of Directors / Directors when it becomes aware during the activity of infringements of the legal regime applicable to the capital market, including the internal procedures of the Company;
- It follows the implementation of the measures to solve the irregularities found in the investigations carried out;

- Draws up and presents to the Board of Directors, within the legal term, the Annual Control Report on: the activity carried out, the investigations carried out, the deviations found, the proposals and the proposed program / plan for investigations for the coming year;
- Forward to the FSA, within the legal term, the Annual Control Report, the approved proposals and the investigation plan approved by the Board of Directors;

Monitor the situations of potential conflict of interest and compliance with the rules regarding the personal transactions of the relevant persons and of the employees. Specific working procedure.

Verification and assurance of compliance is a complex process, regarding the activities within the Company whose objective is to supervise compliance by the company and its personnel with the legislation in force on the capital market of internal rules and procedures..

INTERNAL AUDITOR

The Company's administrator establishes and maintains permanently and operationally the internal audit function that is carried out independently of other functions and activities, being subordinated to the Board of Directors.

The internal audit function is an independent and permanent function, organized according to the relevant legislation (regulations and guidelines issued by the CAFR) whose mission is to determine whether the risk management, compliance and governance system of the entity, as developed and implemented by leadership, works properly to ensure that:

- the risks are properly identified and managed;
- communication and interaction with those responsible with the management and governance of the entity takes place whenever necessary;
- the financial and operational information is appropriate, complete, accurately represents the transactions and economic events and is provided in a timely manner to those charged with their use in operational, administrative and compliance decisions;
- the strategy of the company administrator, the plans and the activity programs are fulfilled;
- the activities of the employees are in accordance with the internal policies and procedures as well as with the legislative requirements applicable to the field of activity of the administrator and the Company;
- the resources are purchased according to needs, are used efficiently and are properly protected;
- the compliance system of the administrator takes into account the principle of quality and continuous improvement - this being achieved by periodically reviewing the procedures and operational flows, by analyzing the actual results compared to the business strategy and plan, by periodically evaluating the competence and performance of human resources engaged;
- the legislative and regulatory changes are addressed promptly, and their impact is analyzed at the level of the administrator and the Company, in order to implement the requirements arising from them.

The Board of Directors and the persons in the management position of the administrator are responsible for ensuring an adequate internal audit activity, corresponding to the size of the administrator and the nature of the operations.

According to the internal procedures of the administrator, the internal auditor can be employed within the organization or this activity can be outsourced. The Board of Directors appoints the person / persons performing this function; and if the function is outsourced, it approves the internal audit contract.

The internal auditor shall be accountable to the Board of Directors and the Audit Committee for:

- preparing an annual evaluation of the effectiveness of the compliance and risk management system in the areas in which it has planned its work missions;

- reporting the deficiencies and / or significant aspects identified in the work missions regarding the organization of the activity, compliance and risk management;
- inclusion in the reports of recommendations for remediation and / or improvement of workflows / processes;
- providing periodic information on the status and level of accomplishment of the missions included in the annual planning, as well as an assessment of the need for the resources allocated to the internal audit activity;
- coordination in order to review the activity of the other monitoring and control functions - risk management, compliance;

From the administrative point of view, the internal audit function is subordinated to the effective management.

The internal auditor has, mainly, the following responsibilities:

- ensuring that the internal audit is carried out in accordance with the international standards and provisions of the CAFR and that the provisions of the Code of Ethics of the profession are respected;
- developing and maintaining a quality assurance program and improving the internal audit activity;
- monitoring and evaluating the efficiency of the audit quality assurance program;
- elaboration of the audit plan based on the risk analysis and sending it for approval to the Board of Directors and the Audit Committee; the audit plan may also take into account the specific investigation and control requests of the Audit Committee, the Board of Directors and the effective management. The audit plan should include the objectives, terms and frequency of the audit commitments;
- defining the operational budget, making sure that the qualified personnel is appropriately allocated to the audit activities (knowledge, skills and experience);
- ensuring the maintenance of the audit staff's skills through continuous professional development, including updating the relevant certifications for the profession;
- ensuring the documentation and substantiation of the professional competence of the internal auditor;
- request the support of external experts / consultants (if necessary, with the agreement of the effective management, in advance) for the execution of the specific activities, to ensure that the technical skills are available for each line of activity and support function;
- evaluation of significant transactions and operations, control activities related to new or modified processes, during the development, implementation and consolidation phases;
- reporting of structural deficiencies in operational flows, control processes, internal formalized procedures, recommending relevant solutions and monitoring their implementation;
- issuing audit reports within the established deadlines, identifying the deficiencies for each audit commitment, including suggestions and recommendations for the deficiencies identified. The audit reports must be submitted to the management of the audited structure, to the Audit Committee and to the Board of Directors;
- periodically monitoring to verify the implementation of recommendations;
- monitoring the coherence of the activities carried out in accordance with the Audit Plan, marking any deviation and identifying the corrective measures;
- direct and self-initiative communication to the effective management of the occurrence of unusual and potentially dangerous situations for managing the entity, signaling procedural deficiencies and serious errors as well as the emergence of imminent risk situations..

COMPLIANCE OFFICER AND THE PERSONS DESIGNED FOR THE APPLICATION OF LAW NO. 129/2019 FOR THE PREVENTION OF MONEY LAUNDERING AND COMBAT TERRORIST FINANCING, AS WELL AS FOR AMENDING AND SUPPLEMENTING NORMATIVE ACTS

The persons designated for the prevention and control of money laundering and terrorist financing within the Company's administrator, in relation to the O.N.P.C.S.B. and F.S.A., will have direct and timely access to the data and information necessary to fulfill the tasks established by Law no. 129/2019 and have specific attributions established by decision of the executive management and by internal procedures.

The employees of the administrator from the departments that carry out specific activities in the application of Law no. 129/2019 have mentioned in their job description obligations regarding the observance of the internal procedures.

The Company's administrator approves and implements Internal policies and norms, internal control mechanisms and procedures for managing risks of money laundering / terrorist financing, which ensures the establishment of the risk profile associated with the activity carried out, the client's knowledge and the transmission of reports to the competent authorities.

The Company's administrator has the obligation to draw up and keep records regarding the new clientele, respectively to register the identity of the clients and the one of the real beneficiaries, before initiating any business relationship or carrying out transactions on behalf of the real client / beneficiary. It will not open or operate anonymous accounts, respectively accounts for which the identity of the owner or the real beneficiary is not known and properly highlighted.

The Company's administrator keeps the records (secondary or operative) and the records of all the financial operations that are the subject of Law no. 129/2019, for a period of 5 years from the conclusion of the business relationship, respectively from the occasional transaction, or even more, at the request of the Office or other authorities, regardless of whether the respective account was closed or the relationship with the client ceased. , in an appropriate form. The records must be sufficient to enable a reconstitution of the individual transaction, including the amount and type of currency, to provide evidence in court, if necessary. In fulfilling the tasks established by Law no. 129/2019, the responsible persons had direct and permanent access to all the records drawn up by the administrator in accordance with the legal provisions.

2. CONFLICT OF INTERESTS AND TRANSACTIONS WITH FINANCIAL INSTRUMENTS BY RELEVANT PERSONS

SAI Muntenia Invest establishes, implements and applies an effective policy in the field of conflicts of interest, which takes into account its size and organizational structure, as well as the nature, size and complexity of its activity, respectively that of the Company.

All employees of SAI Muntenia Invest have the obligation to report to the Board of Directors / Executive Management, as the case may be, and to the control structures of the administrator, situations that create or may create conflicts of interest, in a timely manner, so that the necessary measures can be taken for the the necessary measures for their management.

In order to ensure a solid framework for managing conflicts of interests, the Company's administrator:

- acts with honesty, fairness and professional diligence, in order to protect investor interest and market integrity;
- it uses all the resources efficiently and efficiently uses the procedures necessary for the proper conduct of the activity;
- monitors the avoidance of potential conflicts of interest, and if they cannot be avoided, it is ensured that the Company receives a fair and impartial treatment;
- it ensures that the voting rights related to the financial instruments belonging to the Company are exercised for its exclusive benefit, based on an adequate and efficient strategy to determine the time and manner of exercising the voting rights related to the instruments held in the managed portfolios and with respect to the right to investor information;
- prevents fraudulent practices, including those that can reasonably be expected to affect market stability and integrity.

SAI Muntenia Invest establishes the main rules and measures that it can adopt in the decision-making process regarding the prevention and management of conflicts of interest and is responsible for implementing and observing the working procedure for the prevention and management of conflicts of interest

In order to comply in good conditions with the legal provisions in force regarding the proper prevention and management of conflicts of interest, at the level of the administrator there is the Risk Management Compartment and the Compliance Compartment, which have the role of ensuring the adequate prevention or management of situations with possible negative impact. on the company, through the use of specific processes, mechanisms and techniques related to the prevention and management of conflicts of interest with a significant risk of investor harm.

Through the functional compartments having specific attributions, through the reports compiled by them according to their own attributions, the Board of Directors has permanent access to the relevant information regarding the potential conflicts of interests that affect or may affect the activity of the administrator, while being informed and on the issues. legal, material, operational and financial in nature, which could have an impact.

The internal system of conflict of interest prevention is represented by the functional compartments of the organizational structure of the administrator. They will manage and monitor potential conflicts of interest, which may occur permanently, concurrently with the daily running of operational activities. These organizational structures have obligations to report the conflicts of interests identified to the management structures, as the case may be, and to the control structures of the administrator.

SAI Muntenia Invest evaluates, on the basis of the notes prepared by the departments, the conflicts of interests that may arise in the transactions that the Company carries out with the related parties. Also, the Board of Directors, based on the notes drawn up by the compartments, also evaluates the conflicts of interest regarding the transactions of the issuers in the portfolios of the Company and of their subsidiaries with the related parties..

In the event of a conflict of interest in which a member of the Board of Directors is involved, he / she will abstain from the debates and vote on the respective issues, in accordance with the legal provisions, and the motivated abstention of the member concerned will be mentioned in the process. minutes of the respective sitting.

The executive management establishes the protection measures against conflicts of interests, periodically examines and adopts measures to correct the deficiencies found based on the reports received from the compartment of compliance and the risk management compartment or from other organizational structures within the administrator. As a way of working, it takes into account the main potential conflicts of interest that may arise from activities of representation in relations with third parties, from the current development of the activity, from the measures taken to achieve the provisions of the Revenue and Expenditure Budget and with priority to respect the investment strategies. , from optimum asset management.

In the event of a conflict of interest in which a member of the Executive Management is involved, the latter will refrain from adopting a decision or request the express approval of the Board of Directors on the respective issues, the approval being strictly related to the interest of the Company and the investors.

Identifying situations that may lead to conflicts of interest is important, especially when there is a prospect of financial gain or avoidance of financial loss, or if financial or other incentives are provided to guide the Company's behavior towards favoring some particular interests of the Company / relevant persons, to the detriment of the interests of the Company or its investors.

The manager separates, within his work environment, the tasks and responsibilities that may be considered incompatible or that may generate conflicts of interest. It prevents and manages conflicts of interest, so the relevant persons involved in activities that involve a risk of conflict of interest carry out these activities with a degree of independence appropriate to the size and activities of the administrator, as well as the materiality level of the risk of damaging the interests of the Company or of its investors.

The Administrator annually evaluates whether its internal operating regulations may involve / generate conflicts of interest that cannot be prevented / avoided through them.

When conducting personal transactions by the relevant persons and the Company's administrator, the prohibitions set out in the Conflict of Interest policies and procedures are considered.

In the case of all the personal transactions carried out by the relevant persons and the administrator of the Company, irrespective of the financial instrument, all the relevant persons transmit to the administrator. a report containing information about the respective transactions. These transactions will be recorded in the register of the personal transactions of the administrator, together with any authorization or prohibition, communicated to him by third parties, in connection with such transactions.

The obligation to notify the transactions carried out by the relevant persons is both personal and intermediary, and the information is disseminated through the BSE website.

The use of privileged information related to the investment policy of the Company, by the members of the Board of Directors, the effective management of the company, as well as any person with whom the administrator / Company has concluded a work / mandate / services contract, when they are prohibited carries out transactions with financial instruments in its own portfolio.

It is forbidden to disseminate information regarding the transactions that the Company intends to carry out with the financial instruments in its portfolio by the members of the Board of Directors, the directors of the administrator, as well as any persons with whom he / he has concluded a work / mandate contract / providing services.

The company fulfills the institutional obligations of reporting and information, by the modalities specified by the CNVM / FSE and BSE regulations, including by posting on the site and publication in the specialized press.

3. CORPORATE INFORMATION REGIME

The Board of Directors of SAI Muntenia Invest has an efficient system of communication and transmission of information, which prevents the disclosure of confidential information. To this end, the administrator of the Company has adopted a procedure for ensuring the security, integrity and confidentiality of information

The management of information security is assumed both by the management at the highest level and by the managers of the functional structures of the Company's administrator. Everyone has the obligation to designate the responsibilities required by security policy and procedures, to allocate and use the necessary resources efficiently, so as to ensure real protection of data and information, as well as adequate control of services. The responsibility for the protection and security of the company's assets lies directly with the owners of these resources

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

These protection measures govern internal and external information and information systems and provide information management practices in accordance with internal legal requirements and international best practices.

Securing the information of the Company's administrator and of the information systems has a strategic and critical importance on the efficiency and continuity of the Company's activity. In this regard, the following principles are taken into account:

- the measures to protect the IT resources are in accordance with the business requirements, the level of risk exposure, the efficiency and the value of the resource.
- the implementation of information security is practical and achievable through the 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 parties associated with, and / or services provided to the Administrator / Company must ensure that their actions are in accordance with information security policies and incident procedures.

The compartment with attributions for this purpose produces communications / current reports / periodic reports that are available according to the specific legislation applicable to the Company, within the reporting period of the information provided. The information disseminated to the public is complete, accurate, timely, so that objective investment decisions can be made.

The Company's manager permanently updates the "Investor Information" section on the company's website.

4. SOCIAL RESPONSIBILITY

The Company continuously develops activities related to social responsibility, each year supporting directly or through foundations/specialized associations the disadvantaged categories in the community where it operates. The company also contributes to supporting scientific, cultural, sports, health, educational, environmental actions, events of national or regional interest.

SIF Muntenia SA
through its manager
SAI Muntenia Invest SA

General Director,
Nicușor-Marian BUICĂ