

## Extract of The Regulation on the CB “Moldova-Agroindbank” S.A. related parties

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### CHAPTER II. GENERAL PROVISIONS

**2.1.** The Regulation on the CB “Moldova-Agroindbank” S.A. related persons (hereinafter the “Regulation”) has the purpose of determining the criteria under which a person can be attributed to the CB “Moldova-Agroindbank” S.A. related persons (hereinafter the “Bank”), establishing general requirements towards the Bank’s relations with these persons and towards the transactions concluded with these persons, as well as establishing the manner of recording the Bank’s related persons and the transactions concluded with the Bank’s related persons..

**2.2.** This Regulation is drawn up and approved according to the provisions and requirements:

2.2.1. Law on Banking Activity No. 202 as of October 16, 2017, with subsequent amendments;

2.2.2. The Regulation on the Bank’s transactions with its related persons, approved by the National Bank of Moldova Supervisory Board Decision no. 240 as of 09.12.2013, with the subsequent amendments;

2.2.3. Regulation on requirements for members of the Bank's Management Board./Board of Directors and mixed financial holding company or holding company, the directors of the bank branch in another state, the persons holding key positions and the liquidator of the bank in liquidation approved by the decision of the Committee Executive of the National Bank of Moldova no. 292 as of 29.11.2018;

2.2.4. The Regulation governing the banks activity management framework, approved by the decision of the Executive Board of the National Bank of Moldova No 322 as of 20.12.2018;

2.2.5. The Regulation on large exposures approved by the decision of the Executive Board of the National Bank of Moldova No 109 as of 05.04.2019

2.2.6. CB “Moldova-Agroindbank” S.A. Charter, in force;

2.2.7. other legislative and normative acts.

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2.3.11. The related parties of the Bank refer to :

2.3.11.1. members of the management body and some categories of persons holding key positions determined in accordance with the Regulation on Bank Transactions with its Affiliates, approved by the Decision of the Council of Administration of the National Bank of Moldova no.240 of 09.12.2013, with subsequent amendments;

2.3.11.2. legal entities or individuals who, directly or indirectly, individually or in concert, own or control 1% or more of the bank's capital, including their actual beneficiaries. If the spouse of such a person or a relative of the first degree owns or controls a holding in the bank's share capital, irrespective of its size, then that holding is considered to be owned and controlled by that person;

2.3.11.3. any person who controls the Bank or is under the control of the Bank or with the Bank is under the control of another person;

2.3.11.4. any entity associated with the Bank or any entity in a joint venture, any associate or any entity in a joint venture of a member of the group of persons acting in concert with the Bank or the entities and the Banks in joint ventures of another person ;

2.3.11.5. persons affiliated with the persons specified in sub-paragraphs 2.3.11.1 to 2.3.11.4;

2.3.11.6. individual related party - the first and second degree spouses, relatives and affine of the individual, the spouses of the relatives and relatives mentioned above, as well as the legal person to whom the individual and / or the related party to it hold control or hold joint ventures, or have significant influence or are members of the governing body;

2.3.11.7. the person through whom a transaction with the Bank is made in the interest of the person referred to in 2.3.11.1 - 2.3.11.6 and which is considered to be influenced by the person referred to in 2.3.11.1 - 2.3.11.6 in the respective transaction because of the existence of certain employment, civil or other relationships between these persons determined in accordance with the regulations of the National Bank of Moldova;

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2.3.16. Transaction with an affiliate is any transfer of funds or contractual obligations between affiliated parties and the Bank, regardless of whether or not a payment is charged except transactions / transactions involving currency exchange, transfers through money remittance systems, accounts, payment of interest / commission / debt on loans, transfers related to wage packages.

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## **CHAPTER III. REQUIREMENTS TOWARDS THE BANK'S RELATIONS WITH ITS RELATED PERSONS**

### **Section 1. General provisions**

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**3.2.** The Bank uses the highest standards of ethics and transparency with regard to transactions with its affiliated parties, ensuring an efficient and robust corporate governance structure with a clear definition of the responsibilities of the governing bodies to ensure that all transactions between the bank and its related parties are executed in the interest of the bank and are properly monitored and controlled.

**3.3.** With regards to the Bank related parties, employees are guided by the provisions of the Bank's Code of Ethics Code, the Bank's Anti-Fraud Policy, specifically on the bank's tangible and intellectual asset protection, financial market abuse, fraud and corruption. The Bank will not offer gifts or other benefits to its related parties, except as expressly provided in the internal normative acts.

**3.4.** The transactions with related parties must reflect the Bank's interests and cannot be carried out under more advantageous conditions than with not related parties (excepting the Bank's employees who are not related to the Bank). The related parties are responsible towards the Bank in case their personal interest is above the Bank's interest.

**3.5.** The following conditions are considered to be more advantageous than those provided for parties not related to the Bank:

3.5.1. accepting a collateral with a lower market value than a similar collateral, required from other Bank's clients;

3.5.2. procurement of an immovable property of a low quality or at a higher price than the price of similar immovable properties on the market;

3.5.3. making investments in related persons' securities which the Bank would not have made in the case of other persons;

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*This Statement does not contain all the provisions of the Regulation on CB "Moldova-Agroindbank" S.A. related parties and should not be considered as a separate internal normative act. It aims to increase the level of transparency related to the bank's transactions with its related persons.*

- 3.5.4. paying for goods and services purchased from a related party at a higher price than the price of similar goods and services on the market or in circumstances in which the same goods and services would not have been procured from another person;
- 3.5.5. selling an asset to a related party at a lower price than the one which would have been received in the case of selling the asset to another person;
- 3.5.6. setting a lower interest/commission rate for the service provided, unless the service was provided to another person;
- 3.5.7. setting a higher interest rate for the accepted deposit, unless the deposit was accepted from another person;

**3.6.** The Bank will only engage in transactions with affiliated parties after collecting sufficient information to support the bank's economic advantage of those transactions and to assess the risks associated with them. The Bank will not enter into transactions with parties in respect of whom it can not be determined and verified the absence or existence of affiliation with the Bank.

**3.7.** Upon credit extension/placements to the Bank related parties, the following rules shall be respected:

- 3.7.1 The Bank may extend credits/perform placements to related parties under the same conditions as offered to non-related parties (except the Bank employees who are not related to the Bank). The Bank cannot receive interests and commissions from the related parties lower than those received under similar conditions from non-related parties (except the Bank employees who are not related to the Bank);
- 3.7.2 The Bank must impose the same collateral requirements and conditions of credit/placement repayment to the related parties, and shall require the submission of full financial information and information on the efficient use of the credit;
- 3.7.3 The risk of reimbursement assumed by the Bank must not be greater than those related to the credits extended/placements performed to non-related parties;
- 3.7.4 Upon the reimbursement of credits/placements, the Bank shall apply the same measures for related and as to non-related parties.

**3.8.** Upon accepting deposits/obtaining credits from the Bank related parties, the following rules shall be respected:

- 3.8.1 The Bank may accept deposits/obtain credits from related parties under the same terms and conditions as offered to non-related parties;
- 3.8.2 The Bank has no right to pay to related parties a higher rate of interest/commission on deposits/credits than to non-related parties on such deposits/credits;
- 3.8.3 The Bank has no right to offer special terms to related parties on their deposits/credits, nor allow overdrafts (debit balance on nominal accounts) in such terms on related parties' respective accounts.

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## **Section 2. Approval of transactions with the Bank's related persons**

**3.11.** Any transaction with a related person to the bank, the value of which exceeds the equivalent of MDL 1 million or its cumulative value with other transactions with the related parties or with clients related to the bank related party, leads to the exceeding of that value, must be approved, before the conclusion to / change of the contractual conditions, with the vote of at least the majority of the members of the Bank Board of Directors, and in cases where the equivalent of 1 million MDL is not exceeded, it shall be approved by the Bank's Management Board. For the purpose of determining whether or not the threshold set out in this point is exceeded, the values of the transactions leading to

the formation of the exposure to the bank shall be aggregated separately from the values of transactions that do not lead to the formation of exposures to it.

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**3.13.** At its discretion, the Bank Board of Directors may also approve the transactions in the amount of up to MDL 1 000 000 (one million).

**3.14.** Conclusion of a transaction with a Bank's related party, which is a transaction with a conflict of interest according to the definition from art. 85 par. (1) – par. (2) of the Law on joint stock companies no. 1134-XIII as of 02.04.1997, must be examined in compliance with the procedures established in the Bank internal normative acts in the area of management of situations with conflict of interest.

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### **Section 3. Review of the transactions concluded with the Bank's related persons**

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**3.21.** The Bank Board of Directors shall re-examine at least quarterly the transactions concluded with the Bank's related parties, in force at the moment of re-examination, for related risks assessment and elimination of the favorable conditions for their existence.

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### **Section 4. Maximum limits**

**3.23.** In concluding transactions with related persons, the following rules shall be respected:

3.23.1. The exposure value, after taking into account the credit risk mitigation effect in accordance with Chapters VI-IX of the Regulation of large exposures, approved the Decision of the Executive Committee of the NBM no. 109 of 05.04.2019 to a related party to the Bank and / or a group of clients related to the person affiliated to the Bank shall not exceed the limits set by the NBM and the internal normative acts;

3.23.2. The aggregated amount of the Bank's exposures to related parties and / or customer groups related to related parties to the Bank after taking into account the credit risk mitigation effect in accordance with Chapters VI to IX of the Regulation of large exposures, approved the Decision of the Executive Committee of the NBM no. 109 of 05.04.2019, must not exceed the limits set by the NBM and the internal normative acts.

## **CHAPTER IV. RECORDS OF THE BANK'S RELATED PERSONS**

**4.1.** For the record of the related parties, the Bank shall keep a Register of the Bank's related persons.

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**4.6.** The Bank's related parties indicated in subparagraphs 2.3.1.1. and 2.3.1.2. of this Regulation, are bound to inform Bank within maximum 5 (five) working days as of the date of the event occurrence, on:

4.6.1. birth/death of husband/wife or any individual who is a first-degree (children, parents) or second-degree (brothers, sisters, grandparents, both, on the father's and the mother's side, grandchildren) relative and in-laws up to the second-degree including, the degree of affinity being determined similarly to the consanguinity degree;

4.6.2. marriage/divorce;

4.6.3. changing the last name, the first name and/or the individual's residence, changing the name and/or the organizational-legal form and/or the office of the legal entity and of the persons mentioned in subparagraphs 2.3.1.5.-2.3.1.6. of this Regulation;

- 4.6.4. assigning or changing the state personal identification number (SPIN), the state identification number of the legal entity (SINLE) or the tax code of the legal entity and of the persons mentioned in subparagraphs 2.3.2.5.-2.3.1.6. of this Regulation;
- 4.6.5. appearance/disappearance of a legal entity over which the individual and/or its related persons, individually or in common, exercise control or holds/hold a joint venture;
- 4.6.6 any person with which the related individual is in a joint venture;

**4.7.** The Bank's related parties mentioned in subparagraphs 2.3.1.3. of this Regulation, are bound to inform Bank within maximum 5 (five) working days, on the appearance or termination of an affiliation relation between this person and another one, specified in subparagraphs 2.3.1.5. – 2.3.1.6. of this Regulation.

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## **CHAPTER V. RECORDS OF THE TRANSACTIONS CONCLUDED WITH THE BANK'S RELATED PERSONS**

**5.1.** For keeping record of the transactions concluded with related parties, a Register of transactions concluded with the Bank's related parties is kept.

**5.2.** The transactions with the Bank's related parties are recorded in this register, indicating the nature of transactions, the date of the transaction conclusion, the contract number, its amount and terms. As for the credit/loan transactions, there shall be indicated their insurance and insurer.

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