



Procedures regarding the organizational structure and administrative, accounting requirements and control and protection devices in the field of electronic data processing, as well as proper internal control mechanisms



Drive for
performance

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Internal regulation is drafted based on the following legal provisions:

Law 74/2015 regarding the managers of alternative investment funds

ART. 17

(1) AIFM must at all times use the **proper human and technical reserves** required for good AIF management.

(2) Depending on the nature of the AIFM managed AIF, AIFM drafts and applies solid **administrative and accounting procedures and control and protection devices in the field of electronic data processing**, as well as proper internal control mechanisms, or **investment holdings or management** for the purpose of investing independently, and guaranteeing at least, that **every transaction** in which AIF are involved can be reconstructed at least regarding its origin, parts, nature the moment and place it was made, and that the **AIF assets managed by the AIFM are invested in compliance with** AIF rules or memorandum of association and legal provisions in force.

Chapter 25 Efficient use of resources and procedures – order processing

(1) AIFM sets, implements and applies procedures and rules that allow the prompt, balanced and fast processing of orders on behalf of AIF.

Chapter 27 Execution of trading decisions on behalf of managed AIFs

Chapter 28 Submission to other entities of the trading orders on behalf of AIF, for execution

Chapter 59 Accounting procedures

Organizational requirements

AIFMD Chapter 18 Organizational requirements

European Union Regulation no. 231/2013

Preamble, item (70)

In order to comply with the requirements of Directive 2011/61/EU to specify internal procedures and organizational arrangements which each AIFM should apply, AIFMs should be required to establish a **well-documented organizational structure that clearly assigns responsibilities, defines control mechanisms and ensures a good flow of information** between all parties involved. AIFMs should also establish systems to **safeguard information and ensure business continuity**. When establishing those procedures and structures, AIFMs should take into account the principle of proportionality which allows procedures, mechanisms and organizational structure to be calibrated to the nature, scale and complexity of the AIFM's business and to the nature and range of activities carried out in the course of its business

EU Reg. 231/2013 art. 57 (1) AIFM shall:

(a) establish, implement and maintain decision-making procedures and an organizational structure which specifies reporting lines and allocates functions and responsibilities clearly and in a documented manner;

EU Reg. 231/2013 art. 61 Permanent compliance function

(1) AIFMs shall establish, implement and maintain adequate policies and procedures designed to detect any risk or failure of the AIFM to comply with its obligations under Directive 2011/61/EU and the associated risks and put in place adequate measures and procedures designated to minimize such risks and to enable the competent authorities to exercise their powers effectively under that Directive.

AFIA shall take into account the nature, scale and complexity of its business, and the nature and range of services and activities undertaken in the course of that business.

(2) AIFM shall establish and maintain a permanent and effective compliance function which operates independently and has the following responsibilities:

(a) monitoring and, on a regular basis, evaluating the adequacy and effectiveness of the measures, policies and procedures put in place in accordance with paragraph 1 and the actions taken to address any deficiencies in the AIFM's compliance with its obligations;

(b) advising the relevant persons responsible for carrying out services and activities and assisting them in complying with the AIFM's obligations under Directive 2011/61/EU.

(3) In order to enable the compliance function referred to in paragraph (2) to perform its responsibilities properly and independently, the AIFM shall ensure that:

(a) the compliance function has the necessary authority, resources and access to all relevant information;

(b) a compliance officer is appointed and is responsible for the compliance function and for reporting on a frequent basis, and at least annually, to the senior management on matters of compliance, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;

(c) persons in the compliance function are not involved in the performance of services or activities they monitor;

(d) the method of determining the remuneration of a compliance officer and other persons in the compliance function do not affect their objectivity and are not likely to do so.

However, AIFM shall not be required to comply with point (c) or (d) of the first subparagraph where it is able to demonstrate that in view of the nature, scale and complexity of its business, and the nature and range of its services and activities, that the requirement is not proportionate and that its compliance function continues to be efficient.

EU Reg. 231/2013 art. 62 Permanent internal audit function

(1) AIFM shall, where appropriate and proportionate in view of the nature, scale and complexity of their business and the nature and range of collective portfolio management activities undertaken in the course of that business, establish and maintain an internal

audit function which is separate and independent from the other functions and activities of the AIFM.

(2) The internal audit function referred to in paragraph (1) shall:

- (a) establish, implement and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the AIFM's systems, internal control mechanism and arrangements;
- (b) issue recommendations based on the results of work carried out in accordance with point (a);
- (c) verify compliance with the recommendations referred to in point (b);
- (d) report internal audit matters.

Law 74/2015 regarding the alternative investment fund managers

Art. 15. - (1) AFIA shall functionally and hierarchically separate the functions of risk management from the operating units, including from the functions of portfolio management. The functional and hierarchical separation of the functions of risk management shall be reviewed by FSA in accordance with the principle of proportionality, on the understanding that the AIFM shall, in any event, be able to demonstrate that specific safeguards against conflicts of interest allow for the independent performance of risk management activities and that the risk management process satisfies the requirements of this law and is constantly effective.

(2) AIFM shall implement adequate risk management systems in order to identify, measure and monitor appropriately all risks relevant to each AIF investment strategy and to which each AIF is or may be exposed to, in accordance with Articles 30-37 of Regulation (EU) 231/2013. In this respect, AIFMs should not be based exclusively or mechanically on credit ratings issued by rating agencies as defined under Letter b) of Article 3 (1) of Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, to assess the creditworthiness of the assets of AIFs.

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CHAPTER 1

ADEQUATE AND PROPER HUMAN AND TECHNICAL RESOURCES NECESSARY FOR THE GOOD MANAGEMENT OF SIF MOLDOVA

- 1.** SIF Moldova establishes implements and maintains decision-making procedures, and an organizational/ hierarchic structure that ensures the assignment of functions and responsibilities in a clear and formalized manner; the relevant individuals following procedures in the fulfillment of their obligations.
- 2.** The members of the board of directors and directors individually and collectively have the proper knowledge, competences and experience to understand SIF Moldova's activities, especially the main risks associated to these activities, as well as the assets the company invests in.
- 3.** Sufficient staff with the competencies, knowledge and experience necessary to fulfill the responsibilities assigned to them is employed in SIF Moldova.
- 4.** The individuals covering execution positions directly connected to the portfolio management activities, or the risk management activities cumulatively meet the following requirements:
 - a) have graduated specialized courses organized by specialized institutions such as national and international vocational training bodies, that certify the acquiring of knowledge in the field of investment or risk management, that allow them to fulfill the responsibilities coming with the position covered;
 - b) no individual is permanently employed on two or several positions that would lead to the failure of SIF to abide by the requirements regarding inside information, conflict of interest regime, risk management, execution of SIF's trading orders.
- 5.** Through its annual vocational training plan, the company ensures the knowledge update/acquire requirements for the employees with vocational qualification in different fields: financial auditor, investment consultant, assessor, etc.
- 6.** The individuals in the management structure and those that cover key positions are evaluated in compliance with legal requirements.
- 7.** The individual covering the assets assessor position meets the vocation training requirements and has sufficient experience in the assessment field.
- 8.** SIF Moldova has sufficient logistic resources for the good running of the activity. The technical equipment and IT applications represent the basic support of daily activity.

CHAPTER 2

ORGANIZATIONAL STRUCTURE.

ASSIGNMENT OF FUNCTIONS AND RESPONSIBILITIES.

General presentation

The name of the company is: Societatea de Investitii Financiare MOLDOVA S.A., for short: SIF MOLDOVA S.A.

Legal status: the company is setup as a private-law legal entity, of Romanian nationality, organized as joint stock company.

Type of company: the company is organized as a financial investment company, classified in compliance with applicable regulations. The company is the successor of Fondului Proprietatii Private II “MOLDOVA”, re-organized and transformed in compliance with the provisions of Law no. 133/1996.

Functioning of the company: the Company functions in compliance with (a) the special regulations regarding financial investment companies; (b) regulations regarding the companies allowed for trading on a regulated market; (c) legal provisions regarding companies with legal capacity; (d) the provisions of the memorandum of association and internal regulations. .

The headquarters and central offices of the company which is also the head office where the activities are carried out is located in Romania, Pictor Aman Street, no. 94 C, Bacau district.

II. Attributions and responsibility of each organizational structure

1. The company has a well formalized organizational structure that assigns responsibilities clearly.
2. SIF Moldova establishes, applies and maintains decisional procedures and an organizational/hierarchic structure that ensures the assignment of positions and responsibilities in a clear and formalized manner.
3. Flexible, modular and matrix structures can be organized within the organization structure for the running and completion of high impact projects or activities that are relevant for SIF Moldova.
4. The structures foreseen under line (1) function permanently or for a set period of time, depending on the nature of the project or activity, being led by a coordinator with significant experience in the field, appointed by the hierarchic management.
5. The members of the structures foreseen in line (1) as well as the specific attributions are determined by the topic of the project and nature of the activity, as well as by the quality and promptness requirements these involve.
6. The organization and functioning of the structures foreseen in line (1) are set according to SIF Moldova’s internal procedures.

The organization chart of SIF MOLDOVA SA is presented in [Annex 1](#).

1. Statutory and Decision Bodies of SIF Moldova

1.1. The general meeting of shareholders

The supreme management body of SIF Moldova is the General Meeting of Shareholders (GMS). The Ordinary and Extraordinary Meetings of Shareholders are convened by the Board of Directors in compliance with legal and statutory laws. The session proceedings are written down by the secretary elected by GMS; the protocol being entered in the special register.

The General Meeting of Shareholders adopts decisions based on projects proposed by the Board of Directors and/or shareholders. GMS resolutions, signed by the president of the meeting, are reported to FSA, BVB, and made public after being published in a national paper, the Official Gazette part IV, displayed on the official site and at the head offices. GMS resolutions are enforceable (to be applied immediately) from the moment of their adoption if they or the legal provisions do not foresee another term when they are to become enforceable.

1.2. Board of Directors

The Company is managed by a Board of Directors comprised of 5 members, natural individuals, elected by the general meeting for a period of 4 years with the possibility of their being re-elected. The members of the board of directors are approved by FSA.

In its activity, the Board of Directors adopts resolutions. The resolutions of the Board of Directors are valid if more than half its members were present, and resolutions are adopted with the majority vote of those present. The president of the Board of Directors shall have the decisive vote in case of a parity of votes. The president of the board of directors who is also CEO cannot have a decisive vote. The legally adopted resolutions are mandatory for the directors and other managers and are enforceable once communicated in writing or from the time of the general notification sent through the secretariat of the Board of Directors if there is not another term, following the notification set in their content as enforcement date.

The Board of Directors elects a president and vice president from among its members. The president of the Board of directors may also be the CEO of the company and the vice-president may also be the deputy CEO. The president chairs the meetings. In case the president is absent, the meetings are chaired by the vice-president.

The President of the Board of Directors has the following basic responsibilities:

- (a) coordinates the activity of the Board of Directors;
- (b) convenes the Board of Directors;
- (c) sets the agenda of the Board of Directors;
- (d) watches over the proper notification of the board members concerning the items on the agenda;
- (e) chairs the meetings of the Board of Directors;
- (f) ensures the representation of the Board of Directors in relation with the directors by signing the administration and management contracts;

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- (g) follows-up the fulfillment of the Board of Directors' resolutions;
 - (h) signs the minutes of the Board of Directors meeting along with another administrator, if he has chaired the meeting;
 - (i) conducts the proceedings of GMS and presents the items on the agenda for GMS debate and approval;
 - (j) watches over the good functioning of the company's bodies.

The president may also have other attributions set by the Board of Directors through a resolution or expressly foreseen by legal provisions.

The vice-president of the Board of Directors fulfills the president's attributions in his absence.

The vice-president may also have other attributions set by the company's Board of Directors through resolution, or expressly foreseen by legal provisions.

The members of the Board of Directors may be represented at the meetings of the board only by other members. A present member may represent only one absent member.

The statutory provisions regulate circumstances regarding:

- a) the management of the company in the transition period between the expiry date of the old mandates of managers and the validation date of the new managers by the competent authority;
- b) procedure for completing the Board when positions are vacated;
- c) the organization and running of the meetings of the Board of Directors.

The Board of Directors has the following basic competencies, which cannot be assigned:

- (a) setting the main activity and development directors of the company;
- (b) setting the accounting policies and financial control policies, as well as approval of financial plans;
- (c) appointing and revoking directors and setting their rights and attributions;
- (d) supervision of directors' activities;
- (e) drafting the annual report, organization of the general meeting of shareholders and implementation of their resolutions;
- (f) submission of the request to open the company's insolvency procedure;
- (g) precise fulfillment of all attributions set for the board of directors by the general meeting of shareholders;
- (h) setup/cancellation of subsidiaries and other secondary offices, without legal personality or change of their headquarters;
- (i) setting and approving the vote procedures in the general meetings of shareholders;
- (j) setup of other companies or legal entities, including the participation to the share capital of other companies, under the conditions foreseen by legal regulations;
- (k) pledge, rental, setup of real estate guarantees and mortgage of the company's property, under the following conditions:
 - purchase or sale documents, guarantee exchange or setup for assets in the category of issuer's fixed assets whose value individually or cumulatively exceed

– for the duration of one financial year – 20% of total fixed assets, less claims, are entered by the Board of Directors or directors of the company, only after being previously approved by the extraordinary general meeting of shareholders.

- Rental of tangible assets, for a period over one year, whose individual or cumulated value for the same co-contractor or individuals involved or acting in a concerted manner exceeds 20% of the total fixed assets value less claims on the date the legal document is entered, as well as associations for a period longer than one year exceeding the same value, are previously approved by the extraordinary meeting of shareholders.

(l) approval of the exceeding of the limit set by the provisions of Law 31/1990, with the approval of the competent authority and in compliance with the regulations issued by it, for the buy-back of own shares issued in compliance with art. 4 Law. 133/1996, in the property of their initial holders. The acquired shares may be used, based on the resolution of the Board of Directors with the endorsement of the competent authority, for the purpose of lowering the share capital or regulating the course of own shares on the capital market.

(m) setting the relevant criteria for the monitoring of the results of the executive/higher management's results and of the company as a whole, as well as the annual evaluation of the way these criteria were applied;

(n) analysis of the adequacy, efficiency and update of the risk management systems for the purpose of the efficient management of assets held, as well as the management of the risks the company is exposed to;

(o) ensuring the abidance by the rules for the outsourcing / transfer of operational activities or functions, both before and during the outsourcing/transfer;

(p) analysis and setting the remuneration policy, so that it corresponds to the business strategy, the long-term objectives and interests and include measures to prevent the occurrence of conflicts of interests;

(q) ensuring the drafting and application of ethics and professional standards to ensure a professional and responsible behavior of the company level and prevent the occurrence of conflicts of interest;

(r) approval of the company's risk appetite and tolerance limits as well as of the procedure to manage and report the significant risks that the company is or could be exposed to;

(s) providing the drafting of plans to ensure activity continuity and for emergency situations and their half-yearly evaluation.”

Other attributions of the Board of Directors:

(a) draft the general investment policy;

(b) contract bank loans;

(c) enter contracts with the depositary, auditor and entity holdings the shareholders' records;

(d) assignment of the company representation right to other administrators, setting the limits of the mandate;

(e) approval of the company's internal regulations and compliance procedures, internal audit, risk management and legal assistance for the employees, directors and members of the board of directors;

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- (f) negotiation of the collective employment contract;
 - (g) approval of the setup/ cancellation of the Management Committee, with the quorum for adopting decisions foreseen in the Memorandum of Association;
 - (h) approval of the company's organization, organizational chart, function status and remuneration limits;
 - (i) appointment of the individual(s) for the director replacement positions;
 - (j) approval of the participation level to the benefit plan for directors and managers, paid exclusively by the assignment of shares or options to purchase company shares with the abidance by statutory provisions;
 - (k) making sure that the company has an information systems that allows the safekeeping of the market price records for each asset in the portfolio, the net asset value, the unitary value of net asset for the regulated reporting periods, records of the calculation method for all fees and taxes owed, keeping the records for these operations for at least 5 years;
 - (l) approval of the activity reports of the internal audit, compliance and risk management departments;
 - (m) approval of the investigation plan of the compliance department;
 - (n) ordering measures for the remedy of any law infringement situation, regulations in force applicable to the capital market or internal procedures by SIF Moldova or by its employees following the analysis of the suggestions submitted in writing by the compliance officer;
 - (o) notification of FSA and the capital market institutions involved about the situations identified by the compliance officer regarding the infringement of the legal framework applicable to the capital market and the measures adopted;
 - (p) approval of the multiannual and annual internal audit plan and necessary resources;
 - (q) approval of the internal audit plans and the plan for the implementation of recommendations;
 - (r) approval of crisis simulation results;
 - (s) approval of the quarterly risk reports of the risk management department;
 - (t) approval of the classification of information in the *inside and confidential information* categories and of the measures taken to manage them;
 - (u) approval of the assets evaluation methods in compliance with the mandatory SEV Evaluation Standards and GEV evaluation guidelines as foreseen by the law for the running of the evaluation activity in Romania, mainly:
 - market approach methods;
 - revenue approach methods;
 - cost approach methods.
 - (v) approval and examination of any modification of the policies and procedures for assets evaluation;
 - (w) solving any other issues set by the general meeting of shareholders or by legal regulations and provisions.

The main objective of the Board of Directors on the average and long term, defined and determined by the particularities of SIF Moldova and the macroeconomic context it operates in, is ensuring a balance between activity continuity under optimum conditions and the fulfillment of shareholders' expectations.

The obligations and responsibilities of managers are regulated by the provisions regarding the mandate and the special provisions foreseen by Companies' Law 31/1990 , Law 297/2004 on capital market, Law no. 24/2017 on the issuers and market operations, applicable FSA regulations and statutory provisions.

The members of the Board of Directors hold the proper knowledge, competences and experience to understand the activities of the company, especially the main risks associated to these activities as well as the assets that SIF Moldova invests in.

Consultative Committees of the Board of Directors

The Board of Directors may setup consultative committees comprised of the board members, instructed with the running of investigations and the drafting of recommendations for the board, in fields such as audit, remuneration of managers, directors and employees or appointment of candidates for various management positions¹, a.o.. The Board of Directors sets the internal rules of the consultative committees.

In applying the principles in “SIF Moldova’s Corporate Governance Code”, the consultative committees are regularly comprised on non-executive and independent members who supervise the specific and executive’s management activity. Thus a clear division of supervision and control responsibilities is ensures in the current activity, in relation to the attributions of executive management.

The activity of the committees is coordinated by a president, elected from among its members. The Board of Directors will be immediately informed about the election of the president. The Board of Directors may set additional responsibilities for the committee presidents, setting their proper remuneration as well.

The consultative committees of the Board of Directors must be comprised of at least 2 members² , according to legal and statutory provisions.

SIF Moldova abides by the legal requirements and BVB recommendations concerning:

- ✓ at least one member of each committee must be a non-executive independent manager;
- ✓ the audit and remuneration committee are comprised only of non-executive managers;
- ✓ at least one member of the audit committee must have experience in the application of accounting or financial audit principles;
- ✓ *the appointing-remuneration committee* is comprised of non-executive members, most of them independent – BVB recommendation for the Premium category ;
- ✓ *the audit committee* must be comprised of at least three members and most members in the audit committee must be independent”- BVB recommendation for the Premium category;

Audit Committee

The audit committee is a permanent committee, independent from SIF Moldova management, subordinated to the Board of Directors. The Audit Committee assists the

¹ Law 31/1990 art. 140[^]2 line (1) The Board of Directors may setup consultative committees comprised of at least 2 members of the board tasked with the carrying out of investigations and drafting of recommendations for the board, in fields such as: audit, remuneration of managers, administrators, directors, censors and staff or appointment of candidates for various management positions. The committees will regularly submit the board reports regarding their activity.

² Memorandum of association, art. 7, line 24- The Board of Directors may set up consultative committees comprised of at least 2 members of the board, tasked with carrying out investigations and drafting recommendations for the board, abiding by the applicable legal framework

Board of Directors in fulfilling its obligations in the field of financial reporting, internal control, internal and external audit and risk management.

The members of the Audit Committee are set by the Board of Directors.

The Audit committee is comprised by 3 members elected from among non-executive managers.

The members of the Audit committee must have an experience corresponding to the attributes assigned to them in the committee. At least one member of the Audit Committee must hold accounting and/or audit competencies.

Attributions, responsibilities:

- (a) monitors the financial reporting process;
- (b) monitors the efficiency of the internal control, internal audit and risk management systems in SIF Moldova;
- (c) monitors the auditing of the annual individual and consolidated financial statements;
- (d) verifies and monitors the independence of the financial auditor and in particular the delivery of additional services;
- (e) endorses the Internal Audit Charter and internal audit and control procedures;
- (f) analyses and endorses the multiannual and annual internal audit plan and the resource need for these activities;
- (g) analyses and endorses the annual investigations plan of internal control and its amendments;
- (h) makes sure that internal audit and control analysis made and reports drafted are in compliance with the audit and control plans approved by the Board of Directors;
- (i) receives the internal audit report, analyses and endorses the conclusions and recommendations of internal audit and measure plan for their implementation;
- (j) receives the report of the compliance officer, analyses and endorses the conclusions and recommendations proposed and the measures plan for their implementation;
- (k) analyzes and endorses the annual report regarding internal audit activity;
- (l) analyzes and endorses the annual report regarding the compliance activity;
- (m) analyzes and endorses the annual report regarding the risk management activity;
- (n) analyzes and endorses the risk procedures and methodologies for risk management;
- (o) analyzes and endorses the risk reports of the risk management department;
- (p) approves the Accounting Policies Manual of SIF Moldova;
- (q) monitors the credibility and integrity of the financial information supplied by the company, specially through the revision of the relevance and consistency of the accounting standards applied by it;
- (r) makes recommendations to the Board of Directors regarding the election of the external auditor;
- (s) collaborates with the external financial auditor for the purpose of clarifying relevant aspects connected to financial reporting;
- (t) analyzes the conclusions and recommendations of the financial auditor regarding significant deficiencies of internal control, concerning the financial reporting process;

(u) analyses the audit report and/or opinion of the financial auditor concerning essential aspects resulting from the financial audit, as well as regarding the financial reporting system and recommends the measures to be taken.

Appointing – remuneration committee

The appointing – remuneration committee is a permanent committee with a consultative function independent from SIF Moldova's executive management, subordinated to the Board of Directors.

The committee assists the Board of Directors in fulfilling its responsibilities in the field of appointing and remunerating members for management positions, as well as their remuneration.

The committee is comprised of a number of 3 members elected from non-executive members, abiding by the independence requirement foreseen by Companies' law.

Attributions, responsibilities:

- (a) drafts recommendations regarding the appointing policy for managers and directors of the company, to be submitted for the approval of the Board of Directors;
- (b) drafts recommendations regarding the remuneration policy for the managers, directors and employees;
- (c) can draft recommendations regarding the remuneration policy on the level of SIF Moldova Group;
- (d) submits to the Board of Directors the annual report regarding remunerations and other advantages offered to the managers and directors during the financial year;
- (e) is informed about the documentation submitted to the financial auditor for the analysis of transactions reported in compliance with art. 82 of Law no. 24/2017 regarding the legal documents entered with the managers and directors, and following the audit report, it recommends measures to be taken, if the case be;
- (f) drafts recommendations regarding the occupation of vacant positions in the Board of Directors, with the abidance by GMS resolutions and applicable law;
- (g) drafts recommendation regarding the adoption of the decision of the Board of Directors and/or executive management for the appointing, employment, dismissal or firing of department directors and the staff with key and control positions, as well as for the setting of the remuneration level and their rights and responsibilities;
- (h) periodically evaluates the level of acquirement and application of specialized knowledge and makes recommendations regarding the continuous update process of the vocational skills of managers and directors;
- (i) makes recommendations to improve the knowledge regarding the activity of the company for the purpose of applying the best corporate governance practices;
- (j) monitors the abidance by the requirements and obligations for transparency, notification and reporting regarding the information from this activity segment.

Councilor of the Board of Directors

Through the decision of the Board of Directors individuals may be appointed as councilors for the Board of Directors.

Main attributions:

1. analyzes and formulates observations and suggestions based on the documents/ notes drafted by the other structures of topics presented for the attention / approval of FSA and other competent authorities.
2. identifies, from the analysis of the topics presented for the debate of the management structure, of aspects that are not properly regulated and submits improvement suggestions for the regulatory framework
3. analyzes and submits observations and proposals regarding the way the corporate governance principles are abided by SIF Moldova and the measures that should be adopted for the application of BVB recommendations from the Corporate Governance code, including regarding the content of the Corporate Governance Regulation of SIF Moldova
4. makes proposals regarding the revision of internal regulations and the optimization of the activity of the Board of Directors/BD secretariat and consultative committees of the BD/ secretaries of the consultative committees, including regarding the Organization and Functioning Regulations of those structures.
5. follows-up, following the express request of management structure or its members, the way the decisions of the management are executed.
6. may participate, if appointed by the management structure or its members , to external work meetings, and draw up a report on them afterwards.
7. offers specialized assistance to the non-executive members of BD.

Delegation of competence on the level of the board of directors

The Board of Directors approves delegation of competence and sets the competence limits for the CEO, deputy CEO, and Management Committee.

The operations made based on the competencies assigned to directors are reported to the Board of Directors through written or verbal reports.

The Board of Directors has delegated to the deputy CEO the attributions presented in the present regulations.

The Board of Directors approves the delegation of competence and/or representation rights to their managers setting their limitations. The operations made based on the competences delegated by the Board of Directors to other managers are object of reports that are presented during the meetings of the Board of Directors.

1.3. SIF Moldova's Executive Management

The executive management of the company is ensured in compliance with the provisions of the Memorandum of Association, the resolutions of the Board of Directors and regulations in force, by the managers of the company as per Companies' Law 31/1990. Managers meet the legal requirements to exercise their position, have a good reputation and sufficient experience in compliance with FSA regulations, including in connection with investment strategies followed by AIFs managed by the AFIM.

Executive management is appointed by the Board of Directors in compliance with statutory provisions, the identity of those individuals being immediately notified to FSA.

Executive management:

- is authorized to lead and coordinate the daily activity of the company, corresponding to the activities coordinated by each manager;
- is responsible for the application of the general investment policy, making sure that internal regulations and work procedures are abided by;
- informs the Board of Directors regarding the activity carried out between its regular meetings.

In the field of risk management, executive management is responsible for:

- (a) ensuring the implementation of the Risk management policy, the policies and methodologies for the identification, evaluation, monitoring, management and reporting at all time of the significant risks the company is or could be exposed to, approved by the Board of Directors;
- (b) adopting proper and efficient measures, processes and techniques for the monitoring and control of all relevant risks in compliance with the risk management policy;
- (c) ensuring the necessary resources for the implementation of the risk management system;
- (d) setting the competencies and responsibilities of risk management on the level of each activity line;
- (e) proper and efficient application and abidance by the risk limits taken on, including in crisis situations, as well as abiding by the risk profile approved by the Board of Directors;
- (f) ensuring the carrying out of crisis simulations;
- (g) setting and maintaining a proper risk exposure reporting system;
- (h) half-yearly evaluation of the plan to ensure activity continuity and for emergency situations for the purpose of eliminating or minimizing risks;
- (i) development of an integrated risk culture on the level of SIF Moldova, based on a full understanding of the risks that the company faces and the way these are managed, considering its risk appetite/tolerance;

In the field of compliance insurance, managers are responsible for:

- (a) approval of compliance policies (perhaps as an integrated document or an accumulation of distinct internal regulations);
- (b) the analysis of the compliance policy and the method of its implementation in SIF Moldova, at least once a year;
- (c) insuring the resources necessary for the implementation of the compliance policy;
- (d) ordering measures for the control of compliance risk.

CEO

The CEO enforces the resolutions of the Board of Directors, for which purpose he issues written decision and orders. The decisions and orders are immediately enforceable and produce effects from the time they are presented to the attention of individuals authorized to fulfill them.

The CEO has the following attributions:

- (a) direct and efficient management of the company's activity in compliance with the general objectives set by GMS;
- (b) implementation of the general investment policy of the company;
- (c) management of the company's patrimony within the limitations set by the law, the memorandum of association, GMS resolutions of the resolutions of the Board of Directors;

- (d) patrimonial engagement of the company in its legal relationships with third parties, through own signature;
- (e) conclusion of contracts, with the exception of those that are of the exclusive competence of the Board of Directors;
- (f) approval of the measures regarding the protection of the integrity of intangible, tangible and immaterial assets in the patrimony of the company;
- (g) trading and/or negotiating attributions with third parties regarding the goods or rights of the company within the limitations set by the law, the memorandum of association, GMS resolutions, or the resolutions of the Board of Directors;
- (h) company representation in relationship with third parties and in court;
- (i) collaboration with the auditors of the company, the company's depository and the entity holding the shareholders' records, as well as with other control or supervision bodies of the company;
- (j) approval of the contents of the informative reports to the market and shareholders regarding any action or act that is object of a legal reporting obligation;
- (k) internal (functional) organization of the company, considering legal provisions, the company's memorandum of association, internal regulations, organizational chart and position status of the company as well as the resolutions of the Board of Directors;
- (l) the employment, promotion and firing of company employees with the exception of department directors and the individuals holding key positions that are appointed by the Board of Directors, as well as exercising disciplinary actions in relation with the company's employees, in compliance with legal norms and internal regulations;
- (m) periodical information of the company's employees as well as negotiation with them of the individual employment contracts and employment conditions;
- (n) rewarding the employees within the limitations set by the collective employment contract and/ or the Board of Directors;
- (o) verification and control attributions for the way the tasks are fulfilled by the company's employees or other individuals in contractual relationships with the company;
- (p) the notification of the Board of Directors of the company regarding the activity carried out, according to applicable law;
- (q) other attributions set by the company's Board of Directors through resolutions or expressly foreseen by legal provisions.

The CEO coordinates the entire activity of the company, according to the attributions of executive staff and organizational chart. He coordinates the daily activity of the following departments: Internal Audit, Compliance, Risk Management, Financial Department, legal Department, Legal Service, Corporate Governance Service, Assets Evaluation Service, Human Resource Department – Logistics, the activity regarding labor safety and health and the fire prevention and extinction activity.

The CEO leads and coordinates the Management Committee.

In case of absence, the attributions assigned by the Board of Directors will be the competence of the deputy CEO and the actual management of the company will be ensured by the deputy CEO and one of the individuals appointed as replacement and notified to FSA.

Deputy CEO

The deputy CEO has the following attributions:

- (a) implementation of the Board of Directors' resolutions;
- (b) direct and effective management of the company's activity in compliance with the general objectives set by GMS;
- (c) management of the company's patrimony in compliance with the limitations set by the law, the memorandum of association, the resolutions of the general meeting of shareholders or those of the Board of Directors;
- (d) patrimonial engagement of the company in its legal relationship with third parties, through his own signature in compliance with the provisions of internal regulations and within the set competence limits;
- (e) conclusion of contracts, with the exception of those that are the exclusive competence of the Board of Directors and/or CEO;
- (f) approves the measures regarding the protection of the integrity of movable and immovable assets in the patrimony of the company;
- (g) trading and/or negotiating attributions with third parties regarding the goods or rights of the company within the limits set by the law the memorandum of association, GMS resolutions or those of the Board of Directors;
- (h) representation of the company in relation with third parties and in court;
- (i) collaboration with the auditors of the company, with the depositary of the company and the central depositary as well as with the other control or supervision bodies of the company;
- (j) approves the contents of the information reports for the market and shareholders regarding any action or act that is the object of a legal reporting obligation;
- (k) internal (functional) organization of the company, taking into consideration the legal provisions, the memorandum of association of the company, internal regulations and organizational chart and function status of the company as well as the resolutions of the company's board of directors;
- (l) the control and promotion of the company's employees in compliance with legal norms and internal regulations;
- (m) rewarding the employees within the limitations set by the collective employment contract and/ or Board of Directors;
- (n) verification and control attributions for the way the tasks are fulfilled by the company's employees or another individuals in contract relationships with the company;
- (o) notification of the Board of Directors of the company regarding the action carried out in compliance with applicable law;
- (p) other attributions set by the Board of Directors of the company through resolutions or expressly foreseen by legal provisions.

The deputy CEO ensures the daily coordination of the departments: "CORE" Portfolio, "SELL" portfolio, "Majority Holdings" Portfolio, "Transaction" Office. The competence of the financial instruments portfolios is set by BD.

In case of his absence, the attributions assigned by the Board of Directors will be the competence of the CEO, and the actual management of the company will be ensured by the CEO and one of the individuals appointed as replacement and notified to FSA.

1.4. Management Committee

The members of the Management Committee are elected through the decision of the Board of Directors.

The Management Committee ensures the supervision of the company's activity between the meetings of the board of directors within the limits of the competences assigned.

Each company director coordinates the daily activity of certain departments, according to the organizational chart and adopts individual decisions on the specific areas of activity and together they adopt individual decisions within the collective work body, the Management Committee, while applying the legal requirements that directors ensure the actual running of the company.

For this purpose, the Committee adopts decisions regarding:

- ✓ the implementation of the investment strategy set by the Board of Directors
- ✓ implementation of the resolutions of the Board of Directors targeting delegated competencies
- ✓ issues that fall under the competence area of the Board of Directors and that are to be submitted to its debate and approval, regarding delegated attributions
- ✓ issues that through their scale may impact all areas of activity (business, support, compliance)
- ✓ issues that, in order to adopt a decision, require the full understanding and harmonization of the business and compliance aspects.

The meetings of the Management Committee represent, at the same time the internal framework for the full and reciprocal informing of directors on the issues specific for their coordination areas.

The competence limits of the Management Committee, CEO, deputy CEO are set taking into consideration the basic responsibilities of Board of Directors that cannot be delegated (provisions of art. 7 line 9 letters a-k of the Memorandum of Association).

Organization and carrying out of the Management Committee's activity

In the interval between the meetings of the Board of Directors, the Management committee carries out its activities within the limitations of the competencies set.

The decisions of the Management Committee will be reported on a monthly basis to the Board of Directors and presented for the validation of the Board of Directors on the first meeting.

The legally adopted decisions are mandatory for the directors and employees and are enforceable from the moment of their written notification if there is no other deadline following the notification is mentioned in their wording.

The decisions of the Management committee are taken with the vote unanimity of its members. In case there is no unanimity and the Committee thinks it is necessary the subject is presented for the analysis / approval of BD. Otherwise it will be considered that the decision has not been adopted.

The CEO leads and coordinates the Management committee, and in this quality:

- a) he summons it whenever necessary to present issues that fall under its competence for debate and approval;
- b) follows-up the fulfillment of the resolutions of the Management Committee;
- c) informs on the adopted resolutions on each meeting of the Board of the Directors.

2. Functional Departments. Structure. Attributions. Responsibilities.

General Provisions

- 1) The departments are hierarchically subordinated in compliance with the organizational chart.
- 2) The councilors of the Board of Directors, department directors, individuals assigned as directors' replacements and individuals holding key positions are appointed by the Board of Directors. The rest of the staff is employed by the CEO.
- 3) The department coordinators are responsible for the entire activity carried out in the department, and are bound to analyze and solve incoming documents and be responsible for the archiving of the managed documents in compliance with specific procedure.
- 4) Department coordinators answer for the follow-up of contracts execution regarding the activity of the department and have the competence to be in charge of the technical correspondence in order to apply contractual obligations without engaging the patrimony of the company.
- 5) On an annual basis, on the substantiation process of the revenue and expense budget, department coordinators analyze and propose the maintaining/modification of the organization structure of the managed department, depending on the objectives and resources of the organization.
- 6) The Departments carry out their activities in compliance with the procedures approved by the directors, who indicate the way specific activities are to be carried out as well as the responsibility of executive staff. In its activity SIF Moldova uses the data, information and reports managed in compliance with system, operational and work procedures and the procedures of the integrated IT system.
- 7) In compliance with the attributions and responsibilities defined for each functional department, specific work procedures are drawn up. The general procedures, as well as the procedures specific for internal audit, compliance, risk management and legal assistance for the employees, managers and members of the board of directors are approved by the Board of Directors. The specific procedures for each functional department are approved by the directors. From the date the procedures come into force, they are abided by all employees carrying out regulated procedures, irrespective of their employing department.
- 8) The procedure responsible is bound to update it in compliance with the modifications of the aspects that laid at the base of its drafting (legislative reference, organizational structure, process modification, etc.).
- 9) The managers of the departments are responsible for ensuring the compliance and prudential limits of all operations run in the departments coordinated.
- 10) The managers are responsible for the self-evaluation of the risks corresponding to the activities carried out and the internal control systems, for making the notification regarding the exposure to new risks and changes occurred in the already identified risks.

- 11) The managers of the departments analyze, at least on an annual basis the significant risks concerning their activity and follow the implementation status of control instruments as well as their efficiency.
- 12) Departments: “CORE” Portfolio, “Majority Holdings” portfolio, “SELL” portfolio, “Transactions” Office – represent the structure responsible with the analysis and specific justification of investment opportunities and placing assets in compliance with the investment strategies approved by the directors.
- 13) The departments suggest and participate to the planning and update of IT applications that are specific for each activity.
- 14) The reports drafted by the managers of the functional departments and presented to the Board of Directors will mandatory include operations made based on the competences delegated to directors, presented in their succession, as well as aspects connected to operational risk events and the self-evaluation and management of the risks identified in the departments with the analysis of the impact on general and individual performances.
- 15) The reports presented by the Board of Directors will be drafted by each department or formalized in a common report drafted with the abidance by the minimal regular reporting requirements applicable.
- 16) All employees will abide by the compliance rules set by SIF Moldova.

2.1. “CORE” Portfolio

The department is subordinated to the deputy CEO and coordinated in compliance with general provisions.

The “CORE” portfolio management activity targets:

- (a) the management of the “CORE” portfolio holdings, comprised based on average and long-term asset liquidity;
- (b) constant recalibration for the purpose of capitalizing opportunities and represent a resource base for investment financing;
- (c) drafting investment/disinvestment strategies, setting the investment objectives and methods of reaching them;
- (d) follow-up of the achievement degree of SIF Moldova’s investment objectives and initiating rectifying measures, depending on the case; I
- (e) making the necessary analysis for the drafting of investment/disinvestment in assets/financial instruments (fundamental analysis, technical and risk analysis);
- (f) following up the implementation of the approved investment/disinvestment programs;
- (g) ensuring portfolio protection by drafting strategies to cover specific risks, abiding by the applicable rules and prudential limits;
- (h) following-up the evolution of the macroeconomic environment (evolution of the main indicators of internal and external capital markets, financial markets, macroeconomic policies, monetary policy elements);
- (i) drafting sectorial analysis that focus mainly on economic sector represented in SIF Moldova’s portfolio, or that might present interest for SIF Moldova;
- (j) documentation and drafting the sale notes/ notes on capital operations abiding by specific regulations;

- (k) selection and analysis of projects/programs that are the object of new closed-type listings/issuers/ new issuers/ equity partnerships, new products and other instruments that fall under the restrictions of regulations in force regarding placement types;
- (l) exercising the shareholder attributions in companies in the portfolio, in compliance with SIF Moldova's objectives;
- (m) drafting the representation mandates and training of SIF Moldova's representatives in the GMS of the companies in the portfolio, depending on the interests of the company and the need to protect them;
- (n) monitoring the legality of the resolutions adopted by the issuers' GMS and the method of their implementation;
- (o) monitoring and registration of important events that occur on the level of the companies in the portfolio;
- (p) adopting decisions regarding the protection of company's interests through judicial and extrajudicial interests, following the adoption of an illegal resolution in the GMS of the companies in the portfolio, affecting the legitimate interests of SIF Moldova.

2.2. "Majority Holdings" Portfolio

The department is subordinated to the deputy CEO and coordinated in compliance with general provisions.

The "MAJORITY HOLDINGS" Portfolio management activity targets:

- (a) the management of the holdings in the companies where SIF Moldova hold majority packages;
- (b) the drafting and promotion of development programs in the companies in the portfolio;
- (c) the documentation and drafting of notes regarding capital operations, sale notes, abiding by specific regulations;
- (d) the selection and analysis of projects/programs that fall into, without limitations the sectors targeted by the current strategy and/or other sectors that can complete or initiate new strategic directions;
- (e) evaluation of project budgets (costs/revenue);
- (f) management of the project risk and organization of communication within the project;
- (g) follow-up of the implementation of investment/disinvestment programs approved; identification of performance indicators that are specific for the project / activity sector; following their abidance by the level approved by the management bodies of the companies, notification and presentation of measure suggestions, if the case be;
- (h) exercising the shareholder attributions in the companies in the portfolio, in compliance with SIF Moldova's objectives;
- (i) drafting the representation mandates and training the representatives of SIF Moldova in the GMS of the companies in the portfolio, depending on the interests of the company and the need to protect them;
- (j) monitoring the legitimacy of the resolutions adopted by the issuers' GMS and the method of their implementation;
- (k) monitoring and registering the important events that occur on the level of the companies in the portfolio;

- (l) adopting decisions regarding the protection of company's interests through legal or extralegal means, following the adoption of resolutions in the GMS of the companies of the portfolio, that affect SIF Moldova's legitimate interests;
- (m) negotiation of competitive performance criteria with the management teams of the companies in the portfolio;
- (n) analysis of the performances and development measures and efficiency increase of the activities promoted by the management teams of the companies in the portfolio;
- (o) analysis and verification of budgets, costs and revenues forecast in compliance with the business plans of the companies in the portfolio;
- (p) monitoring investment processes.

2.3. "SELL" Portfolio

The department is subordinated to the deputy CEO and coordinated in compliance with general provisions.

The "SELL" portfolio management activity targets:

- (a) the management of "SELL" portfolio holdings with object the restructure of assets without increase potential through sale/transfer to a specialized company where SIF Moldova holds control;
- (b) making the analysis necessary to draft the assets/ financial instruments disinvestment programs (fundamental, technical and risk);
- (c) follow-up of the implementation of approved disinvestment programs;
- (d) participation to the negotiating process for the investment/disinvestment conditions and carrying out support operations for their application for unlisted shares by promoting the packages held, organizing auctions or direct negotiations with investors;
- (e) drafting sectorial analysis that mainly target economic sectors represented in the Sell portfolio;
- (f) documentation and drafting of sale/purchase notes and notes regarding capital operations that target the portfolio under restructure process, with the abidance by specific regulations;
- (g) analysis of the financial instruments portfolio, drafting/ implementation of portfolio performance increase measures;
- (h) exercising the shareholder attributions in companies in the portfolio, in compliance with SIF Moldova's objectives;
- (i) drafting the representation mandates and training of the representatives of SIF Moldova in the GMS of the companies in the portfolio, depending on the interests of the company and the need to protect them;
- (j) monitoring the legitimacy of the resolutions adopted by the issuers' GMS and the method of their implementation;
- (k) monitoring and registration of important events that occur on the level of the companies in the portfolio;
- (l) adopting decisions regarding the protection of the company's interests through legal or extralegal means, following the adoption in the GMS of the companies in the portfolio of illegal resolutions that affect the legitimate interests of SIF Moldova.

2.4. Transaction Office

The department is subordinated to the deputy CEO and coordinated in compliance with general provisions.

The Activity of the Transactions Office targets:

- a) the implementation of investment/disinvestment program through the use of trading platforms or through negotiations made with the representatives of SSIFs; internal rules and procedures are drafted that allow the transmission of order for prompt and equitable execution of transactions with the financial instruments in SIF Moldova's portfolio;
- b) follow-up of the abidance of the transactions made by the limits approved through the investment/disinvestment programs;
- c) making sales/ purchase operations on liquid issuers selected for the purpose of capitalizing on the opportunities offered by market fluctuations;
- d) making subscriptions/ buy-back of fund units, bonds;
- e) making subscriptions for capital increases;
- f) monitoring the evolution of the macroeconomic environment for the purpose of identifying the favorable context to make financial and monetary instrument transactions;
- g) drafting technical analysis (for the issuers, indexes, currencies, merchandize) with the use of specific software, for the purpose of carrying out investment/disinvestment programs under optimum conditions;
- h) the management of operational risks specific for the trading activity;
- i) implementation of risk cover strategies with the abidance by the prudential rules and limitations applicable for the purpose of ensuring portfolio protection;
- j) ensuring the relationships with capital market participants, for the purpose of identifying possible investors for the packages corresponding to the approved investment programs;
- k) negotiating contract clauses for the purpose of concluding the contracts with equity brokers and following their running;
- l) periodical forecast of the liquidities needed for the trading activity, subscription to capital increasing, etc.;
- m) management of financial availabilities, making short-term monetary placements;
- n) organization of the public offers initiated by SIF Moldova which involve: selection of the intermediary and conclusion of intermediary contract; supply of documents for the purpose of drafting the offer document/brochure; publication of offer announcement, brochure/offer document, running the public offer;
- o) negotiation of the trading conditions of the shares issued by closed companies, organization of liquidities and conclusion of sale – purchase contracts;
- p) registration in the integrated IT System of the information regarding issuers quotes, index elements, bonds yields.

2.5. Financial Department

The department is subordinated to the CEO and coordinated in compliance with the presented general provisions.

The management of the department is ensured by the Financial Chief officer and in his absence by the head accountant.

The Financial department has the following main attributions / responsibilities:

- 1- applying the international financial reporting standards and applying the drafting and publishing rules for the annual financial statements in compliance with IFRS/ consolidated, foreseen by these standards, according to applicable regulations issued by FSA;
- 2- organization and keeping own accounting, in compliance with the provisions of Accounting Law no. 82/1991, of specific accounting regulations issued by FSA and approved by MFP, insuring the drafting and on time submission of accounting reports, annual financial statements and tax statements;
- 3- financial planning;
- 4- organization and exercise of preventive financial control, in compliance with legal and internal regulations;
- 5- drafting the revenue and expense budgeted, with the integration of the investment budget, forecast cash-flow and financial indicators that lay at the base of the annual activity program, by the departments with portfolio management positions;
- 6- coordination of financial planning activities, financial follow-up and financial reporting for SIF Moldova SA.

2.5.1. Accounting office

The office is subordinated to the Financial Chief Officer and coordinated in compliance with the presented general provisions.

The management of the office is provided by the Head accountant and in his absence by the replacement of the head accountant.

The following are provided by the Accounting Office:

- 1- organization and keeping of bookkeeping;
- 2- financial planning and follow-up of the revenue and expense achievement;
- 3- financial reporting;
- 4- fulfillment of tax obligations;
- 5- electronic registration of all transactions with financial instruments in SIF Moldova portfolio and keeping these records in compliance with legal provisions in force.

The activity of the Accounting Office is presented in detail in the “Accounting Policies and Procedures” Chapter.

2.6. Human Resource, Logistics Office

The office is subordinated to the CEO and coordinated in compliance with the general provisions presented. .

Human Resource Activity

- 1- ensuring the application of the legal framework concerning the negotiation, conclusion and modification of the collective employment contract, including the internal regulation;
- 2- drafting the company’s organizational chart;
- 3- organization of the activity of drafting and revising job descriptions so that the carrying out of activity be insured by a staff that has the abilities, knowledge and competences required to fulfill the tasks assigned to them;

- 4- keeping the proper and orderly records regarding internal organization, in compliance with the company's organizational chart.
- 5- participation to the solving of work conflicts and employees' complaints;
- 6- organization and coordination of the staff's activity (Drafting employment papers, cease/modification of employment contracts, management of the staff files according to the law, drafting, completion and management of the General Record of Employees, organization of the planning/taking/ records of leaves, update of the staff database, drafting staff statistics records);
- 7- organization, coordination and implementation of employees' evaluation;
- 8- drafting and implementation of the staff vocational training program;
- 9- organization and coordination of the staff employment and selection process;

Logistics activity:

- 1- management of the real properties owned by SIF Moldova (management/rental/drafting and modification of contracts);
- 2- update of the company's functioning approvals;
- 3- organizing the security for the headquarters of the company;
- 4- organization of the cleaning, maintenance, repairs activities;
- 5- management of the activity of maintenance material, inventory and office supply activity;
- 6- organization of the activity for the use of the vehicles the company is endowed with.

2.7. Assets Evaluation Office

The Assets Evaluation office is subordinate to the CEO and coordinated according to general provisions.

The activities carried out in this department are presented in the dedicated document "Policies and procedures for the evaluation of assets and calculation of net asset unitary value per share".

2.8. Corporate Governance Office

The office is subordinated to the CEO and coordinated according to general provisions. The department has the objective insuring the conditions for the exercise of shareholders' rights, unitary application and abidance by the regulations regarding SIF Moldova's organization and functioning, applying corporate governance principles in the company's activity and ensuring the framework necessary for the decision making system of the management and administration bodies.

Attributions and responsibilities:

Activity: Relationship with investors

Regarding communication:

- 1- drafting and implementation of the corporatist communication strategy;
- 2- carrying out and capitalization of communication with shareholders and investors;
- 3- ensuring the information flow with intermediaries, for the purpose of exercising shareholder's rights;

- 4- sending notifications to the Central Depository regarding the holding of shares and associated rights, in compliance with legal regulations;

Regarding the activity for the preparation of the General Meeting of Shareholders (GMS):

- 1- coordination of the activity for the organization of GMS and ensuring the technical secretariat;
- 2- drafting the procedure projects for the participation and running of GMS;
- 3- coordination of the drafting of materials/documents corresponding to the agenda;
- 4- ensuring the collection, processing and registration of shareholder's options through all methods of participating of GMS with the abidance by incidental procedures and regulations;
- 5- ensuring the management and archiving of the data for the shareholders' register.

Regarding dividend distribution and payment:

- 1- analyses and suggests variants for dividend payments, participates to the negotiation of technical conditions for dividend payments and follows-up the execution of concluded contracts;
- 2- ensures the assignment of gross dividend due on the registration date, tax calculation and net dividend on shareholder level and provides the Accounting Office and Central Depository with the data necessary to make the payments;
- 3- draws up and sends statements and databases regarding withholding tax, dividend payments, shareholders/holdings structures and reports for state institutions with attributions in this field.

Regarding the follow-up of shareholders' rights exercise:

- 1- drafting of specific structure, dynamics and tendencies analysis for the shareholders' records for the purpose of increasing the adequacy and efficiency of the specific methods and procedures to exercise rights.
- 2- analysis, suggests and implements methods to abide by the obligations foreseen in the regulations for shareholders' rights.

Regarding the organization and running of corporate events

- 1- analyses and proposes, based on the applicable legal framework, running calendars, the activities, logistics and operations necessary for carrying out corporate events.
- 2- makes simulations for corporate operations relating to share capital: share capital increase- decrease, consolidation – splitting of the share nominal value, title conversion, title issues, etc.
- 3- ensures the calculation and assignment of financial instruments for each shareholder based on the holdings, algorithms and procedures applicable for the corporate operations carried out.

Activity: Corporate Governance

- 1- follow-up of the abidance by the corporate governance principles and the measures that have to be adopted in order to apply the recommendation of capital market institutions concerning the Corporate Governance Code;
- 2- drafts and updates the Corporate Governance Code of SIF Moldova;
- 3- drafting of legal institutional reports foreseen in the own Corporate Governance Code;
- 4- drafting and update of the company's internal regulations;
- 5- management of confidential and privileged information within SIF Moldova Group;
- 6- management and amortization of system and work procedures that regulate the running of the company's functional departments, in agreement with legal provisions and internal regulations;

- 7- setting, implementation and follow-up of the document and information circuits within the company;
- 8- ensuring the archiving of the documents in the company in the Archive Lift of SIF Moldova and the specific procedure; the archiving activity may be outsourced, abiding by applicable regulations;
- 9- follow-up of the implementation of GMS resolutions;
- 10-ensures the secretariat of the Board of Directors: is responsible with the technical organization of meetings and document archiving
- 11- ensures the secretariat of the Management committee: is responsible for the technical organization of the meetings and document archiving
- 12-ensures the archiving (including electronic) of all documents regarding the secretariat activity of the company's management bodies: General Meeting of Shareholders, board of Directors and Management Committee;
- 13- initiation and use of the consultations with shareholders and investors regarding the strategy and future of the company; monitors the quality of meetings the objectives taken on by the organizations before its shareholders; quantification of the consultation results offers support for the managerial decision.
- 14- drafting and implementation of social responsibility programs in correlation with the size of the company value.
- 15- manages (holds the records, centralizes, archives) the documents drafted in the periodical evaluation process of individual in management functions and key positions, including at least: individual statements, individual evaluation sheets, matrix regarding the collective adequacy of the management structure members.

Activity: Management of personal information (GDPR)

Ensures the implementation and monitoring of measures imposed by EU regulation no. 2016/679 – Personal data management (GDPR):

- 1- proposes the assignment of the data protection officer (DPO) from within the company, or through a service agreement;
- 2- informs the management and the staff regarding the internal policy and procedures that involve the processing of personal data;
- 3- offers support to DPO for the protection of personal data by providing the resources necessary to fulfill these tasks;
- 4- requests counseling from DPO regarding the evaluation of the impact on data protection and the monitoring of its functioning;
- 5- manages the GDPR audit method implemented in IIS System SIF Moldova for the application of the measures imposed by applicable regulations
- 6- informs the CEO and DPO about the cases when legal provisions concerning the protection of personal data have not been abided by;
- 7- displays the public information regarding the processing of personal data on the site.

Activity: ensuring IT and information safety support

- 1- drafting the annual IT purchase budget project;
- 2- initiating proposals regarding the architecture of the IT system, development and diversity of the calculation technique and software products, makes sure accepted solutions are implemented;
- 3- ensuring the installation, maintenance and management of computer networks
- 4- ensuring the installation, maintenance and management of technical assistance for the entire IT support and applications of the company;

- 5- ensuring the maintenance and update of the internet page of SIF Moldova;
- 6- ensuring the creation of new applications, by request for the use of SIF Moldova's employees;
- 7- ensuring the integrity, update and optimization of the integrated IT system of processes, operations and data corresponding to the activity carried out;
- 8- drafting and implementation of data backup policies in case of special events;
- 9- ensuring the safety of the SIF Moldova's computer networks, access safety, data handling and keeping;
- 10- drafting, update and implementation of the activity continuity plan;
- 11- attributions and responsibilities regarding the Information Safety Management System.

2.9. Legal Department

The department is subordinated to the CEO and coordinated according to general provisions.

The main objectives of the department are: legal assistance, advice and presentation. The department is specialized and has attributions and responsibilities on the following types of activity categories:

Legal advice:

- 1- ensures the legal advice activity for the Board of Directors, Management Committee and the directors of the company, in order to achieve or protect the legitimate rights and interests of the company;
- 2- ensures legal advice activities, by request and based on a prior approval of management for the departments within the company, for the purpose of achieving or protecting the legitimate interests and rights of the company;
- 3- provides legal advice activities, by request and based on a mandate, for the individuals who act for the execution of a mandate offered to the directors of the company or the Board of Directors in the achievement or protection of the legitimate rights and interests of the company;
- 4- offers legal advice activities, by request and based on a prior approval, for the managers of the departments in the company acting while fulfilling their work tasks or an express order of the CEO or deputy CEO, to protect the rights and reach the legitimate interest of the company.
- 5- offers general consultancy activities for the company, in the field of commercial law, criminal law, contravention law, labor and social security law; administrative law and intellectual property.

Legal assistance:

- 1- provides legal assistance activities for the Board of Directors, Management Committee and for the directors of the company in their activity to protect the company's patrimony and legitimate interests;
- 2- provides legal assistance activities, by request and based on a prior approval for the coordinators of the departments within the company acting to fulfill their work tasks or an express order of the CEO or deputy CEO, to protect and achieve a legitimate interest of the company;
- 3- ensures the legal assistance, for the setting of claims, drafting and support of action inside or outside the court for SIF Moldova for the defense or protection of its legitimate interests;
- 4- ensures legal assistance for the drafting of certain legal documents;

- 5- issues, following the management's request legality notices regarding legal documents the company is part of or directly interested in; analyses the clauses of each commercial contract entered by SIF Moldova and makes sure the applicable legal and prudential limits are respected.

Legal representation:

- 1- provides legal representation activities, based on the mandate, for the legitimate interests and rights of the company, before the court or arbitrary court, criminal or administrative investigation bodies, within conciliation, mediation or enforcement procedures, before notaries public and any other individuals,
- 2- local authorities or bodies, national or international authorities.

Other specific administrative activities:

- 1- ensures the keeping of records of the litigations and the information of the management and departments of the company regarding the evolution of the litigations;
- 2- ensures the relationship with attorneys, notary offices, bailiff offices, mediators, courts or arbitrary courts, trade registry office, cadaster and real estate office, operators of Electronic Archive of Secured Transactions, public prosecutor's office, other investigation authorities; etc.
- 3- ensures, by request the carrying out of actions and operations for registration and legal publication at the Trade Registry, Cadaster and Advertising office Electronic Archive of Secured Transactions and the drafting of the documents that are specific for these operations within the limitations of the mandate offered and legal competences.

2.10. Activity: Labor Safety and Health

Through the decision of the CEO a responsible is appointed for labor safety and health, with specific attributions, in compliance with legal provisions.

The activity regarding labor safety and health is coordinated by the CEO and involves the carrying out of the following operations:

- 1- identification of dangers and evaluation of risks for each component of the work system, namely executor, work task, work means/equipment and work environment on work places/positions;
- 2- drafting of the prevention and protection plan;
- 3- drafting own instructions for the completion and/or application of labor safety and health regulations;
- 4- verification of the fact that all employees know and apply the measures foreseen in the prevention and protection plan, as well as the attributions assigned to them in the field of labor safety and health;
- 5- drafting the training-testing program on the level of the company;
- 6- ensuring the drafting of the action plan in case of severe and imminent danger and training of staff;
- 7- indicates the high and specific risk areas and sets the areas that require signaling for labor safety and health reasons;
- 8- notifies the employer, in writing about the deficiencies ascertained during controls carried out at the place of work and suggests labor health and safety measures;
- 9- investigation and communication of the events defined by the law regarding labor safety and health;
- 10- update of the warning plan, the protection and prevention plan and of the evacuation plan;

11- proposal of measures to ensure proper health supervision

12- works, depending on the risks regarding labor safety and health;

2.11. Activity: Fire prevention and extinction (according to applicable incidental law)

Through the decision of the CEO a responsible for the activity regarding fire prevention and extinction is appointed, with specific attributions, according to legal provisions.

3. Permanent risk management function

SIF Moldova sets and maintains a permanent risk management position that is separate and independent from other functions and activities.

The Risk Management Department is structurally and hierarchically subordinated to the Board of Directors.

The permanent risk management position is exercised functionally and hierarchically independent from that of portfolio management and other functional departments, by adopting all organizational measures for the prevention of conflicts of interest, expressly stipulated in the company's internal regulations.

The permanent risk management position has the necessary authority and access to all relevant information required to fulfill its responsibilities.

Each individual employed in the risk management department is subjected to FSA authorization and entered in the public FSA register. In case there are more than one individual with risk management responsibilities, the detailed responsibilities of each individual shall be stated. In case one of the individuals is absent, his/her attributions and responsibilities will be taken on by another authorized individual.

As an exception, for vocational training purposes, other employees may be employed for a period up to 12 months in the risk management department, even if these do not meet eligibility requirements, provided that all documents regarding risk management be drafted exclusively by a FSA authorized individual as risk management responsible. The company submits FSA the list of individuals who temporarily do not meet eligibility requirements.

The main objective of the department is risk management and control, the abidance by the high quality standards imposed by the principles of operational and investment risk management, drafting attention raising mechanisms when approaching alert limits for risk occurrence, risk management through the identification, measurement and managements, while suggesting and monitoring immediate corrective measures.

The department drafts the Risk Management Policy of SIF Moldova, defining the risk profile that the company considers acceptable, for the relevant risks identified in the company's activity. For the management of the identified relevant risks, the Risk Management Department draws up work procedures and methodologies.

The department is specialized and has the following attributions and responsibilities:

- a) drafting and implementation of efficient risk management procedures and methodologies, as well as any modification thereof;
- b) identification, measurement, administration and permanent monitoring of all risks relevant for SIF Moldova's investment policy to which the company is or could be exposed to.
- c) making sure that the risk profile of SIF Moldova, notified to investors abides by the risk limitations set to cover at least the market, issuer, liquidity and operational risks;
- d) submission to the Board of Directors of up-to- date information concerning the following aspects:
 - o submission by the company of the risk profile notified to investors, and set risk limitations – on a quarterly basis;
 - o the proper nature and efficiency of the risk management process- on a half-yearly basis.
- e) proposing risk prevention and lowering measures and following-up their implementation.
- f) monitors and verifies the implementation of all corrective measure for risk prevention and lowering, resulted from the self-evaluation of operational risks and the internal control of departments;
- g) analyses operational risks connected to the running of the activities, identified in the internal risk self-evaluation process and suggests measures to lower identified risks or keep them under control;
- h) evaluation of the company's risk profile depending on the risk appetite and tolerance set by the Board of Directors;
- i) substantiation and proposal of risk limits, monitoring the abidance by them in due time for the management structure, in case it considers that the risk profile is not compliant with these limits or there is a significant risk that the risk profile become non-compliant with these limits;
- j) analysis of the risks corresponding to SIF Moldova's engagement in new activities;
- k) analysis of the activity continuity plan;
- l) offering assistance to the board of directors/ executive management regarding the identification of SIF Moldova's risk profile
- m) following –up the classification of SIF Moldova assets categories in the legal and internal prudential limits in force;
- n) carrying out crisis simulations;
- o) initiation of the self-evaluation of operational risks in all departments of SIF Moldova, providing advice regarding the identification and evaluation of risks, setting proper measures to limit possible consequences of these risks. The results of the self-evaluation made in the departments and quantified by the Risk Management Department as the company's "Risk Map" and „Risk-response plan". The operational risk profile is set based on the exposure to operational risk.

The risk management process is carried out by going through the following stages:

1. risk identification – the risks are defined in the vision of the institution, the component elements are identified and risk generating events are described.
2. risk evaluation and measurement – made for each type of identified risk with the help of quantitative and qualitative methods, using databases and pre-set risk indicators.
3. risk monitoring – the risk indicators are followed in evolution and classified using set legal and internal limits.

4. risk management and control – measures are proposed to keep risks under control in case it is ascertained that limits are exceeded and a report is submitted to the management structure.

The activities carried out include, without being limited to: analysis on a monthly basis and every time necessary regarding the exposure to relevant risks: market risk, issuer risk exposure, liquidity risk, operational risk, abidance by the prudential limits system of assets / asset categories in the portfolio (foreseen by applicable legal provisions), impact on the level of the prudential limits of certain running operations, my making simulations and suggesting measures to keep the risk taken on under control, operational risks events reported by de departments of SIF Moldova.

For the attributions assigned to him, the risk management responsible submits regular reports to the directors and the board of directors; quarterly risk reports re submitted for the approval of the Board of Directors with the prior approval of the Audit Committee. The reports regarding the abidance of assets by the prudential limits are submitted for notification purposes to the departments/structures that fulfill investment management positions.

4. Permanent compliance function

SIF Moldova sets up and maintains a permanent and efficient compliance verification position that is independent.

The Compliance Department is structurally and hierarchically subordinated to the Board of Directors.

Each individual employed by the Compliance department is presented for FSA certification and is entered in the FSA Public Register. In case the company submits more individuals with compliance attribution for certification, the certification request is accompanied by the list of the detailed responsibilities of each individual employed in the compliance department.

In case one of the individuals with internal control attributions is absent, his/her attributions and responsibilities will be automatically taken on by another certified individual. In case SIF Moldova no longer has a compliance officer, or in case he/she is temporarily unavailable, in compliance with applicable provisions, one of the directors will temporarily fill in the compliance officer position, abiding by the legally set period and with FSA notification.

In order to allow the individual(s) appointed as compliance officer to fulfill his/her responsibilities in a correct and independent manner, SIF Moldova must make sure the following requirements are abided by:

- a) the individual(s) has(have) the authority, resources and experience necessary, as well as access to all relevant information;
- b) individuals exercising the compliance function are not involved in the delivery of services or the carrying out of the activities they monitor;

- c) the individual(s) bear(s) the responsibility of abiding by the attributions corresponding to the compliance position and for any report regarding the abidance by regulations in force, in which it will be expressly stated if proper remedy measures have been taken for possible deficiencies;
- d) on setting the remuneration of individuals, the following should be considered: the value of the remuneration must allow SIF Moldova to employ qualified and experienced staff; the objectivity of the individual must not be affected by the remuneration setting method; variable remuneration must be based on position specific objectives and must not be set exclusively on performance criteria on AIFM level; remuneration is directly supervised by the Appointing- remuneration committee;
- e) the individuals are evaluated so as to meet and maintain for the entire duration of their activity, the criteria regarding professional experience and competence, integrity and good reputation and governance, according to applicable legal provisions.

Attributions and responsibilities:

- a) monitors and periodically evaluates the adequacy and efficiency of the set measures, policies and procedures, in compliance with regulations in force, as well as the actions taken to remedy deficiencies concerning the company's abidance by the obligations it has.
- b) monitors and regularly verifies the application of the law incidental for SIF Moldova's activity, of internal regulations and procedures and acts according to its competencies in order to prevent and propose measures to remedy any law infringement case, infringement of the regulations of the capital market or internal rules and procedures of SIF Moldova by SIF Moldova or its employees; follows the implementation of proposals and recommendations;
- c) advises and assists the relevant individuals responsible for the running of the activity or for SIF Moldova's abidance by the obligations it has based on incidental capital market law.
- d) makes sure that the reports that SIF Moldova must submit to FSA and capital market entities are submitted within the set deadline, as foreseen by regulations in force;
- e) analyses and approves the documents submitted by SIF Moldova to FSA for the purpose of obtaining the authorizations foreseen by FSA regulations;
- f) analyses and endorses SIF Moldova's informative /advertising materials;
- g) analyses and endorses the documents drafted by SIF Moldova according to work procedures;
- h) approves the development of new strategies, investment policies, relevant organizational exchanges as well as investments on new markets and in new products;
- i) verifies the abidance by prudential regulations;
- j) ensure the notification of SIF Moldova and its employees regarding the legal regimen applicable to the capital market, regarding both the norms approved and law projects of interest for the company's activity, to submit suggestions/ recommendations / observations if the case be;
- k) manages and monitors the decisions of the Board of Directors and Management Committee, verifying their abidance by the legality and prudence limits at the time of their adoption/implementation; follows-up the fulfillment of resolutions and periodically reports on the status of their implementation;

- l) is responsible for the supervision and management of complaints regarding SIF Moldova's activity on the capital market, keeping the sole petition register and periodical submission to FSA of the status of registered petitions;
Through the decision of the CEO a permanent commission is setup within the company to analyses all shareholders' petitions and suggest, if the case be, measures for the management to adopt to remedy the situations indicate, whereas the applicant shall receive an answer within the deadline set by the law.
- m) creates a process for the identification, registration, monitoring, prevention and disclosure of conflicts of interest, manages the internal procedure concerning *Conflict of Interest*.
- n) manages the specific work procedure regarding *Supervision of the application of international sanctions on the capital market*- in the application of FSA express regulations; the compliance officer may be a member of the Commission (through internal decision), in which quality he also ensures the relationship with FSA.
- o) manages the specific work procedure regarding the *Prevention and fight against money laundering and the financing of terrorism acts* – in applying national legislation and FSA express regulations; the compliance officer can be a member of the Commission (through internal decision) in which quality he insures the relationship with FSA and the National Office for the Prevention and Fight against Money Laundering.

Carrying out permanent and regular control:

1. Drafting the annual Investigations Program/Plan, abiding by the following principles/ criteria:
 - (a) it includes the control objectives in compliance with applicable legal provisions and represents part of the integrated control process within SIF Moldova (compliance, internal audit and risk management);
 - (b) it is drafted based on an analysis of the risks that the activities of SIF Moldova might induce, taking into consideration the "Register of operational Risks identified that might affect the activity of SIF Moldova" drafted by the Risk Management Department;
 - (c) the activities it carries out to verify the compliance of the company's activity with regulations in force, the policy and procedures of SIF Moldova, are regular and permanent control activities;
 - (d) the main component of the activity is pro-active permanent control, exercised through the constant supervision and monitoring of the activities that fall under the competence of internal control, for the purpose of preventing the occurrence of legal and internal non-compliance.
2. The carrying out of investigations and submission of reports to the management structure:
 - (a) it presents a report regarding investigation reports comprised in the investigation plan to the Board of Directors of SIF Moldova, for debate and approval; the report must first be endorsed by the Audit Committee;
 - (b) reports to the Board of Directors and directors the infringement situations of the legal framework applicable to the capital market, internal regulations and work procedures, within the terms foreseen by the law, in order to quickly notify FSA and communicate the measures adopted to remedy the ascertained situations.

- (c) regularly drafts, at least once a year, reports to executive management on issues connected to compliance, where it will be mentioned if the proper measures to remedy possible deficiencies have been taken.
- (d) the annual report and the investigation plan for the following year, approved by the Board of Directors are sent to FSA if the law foresees this.

5. Permanent internal audit function

SIF Moldova sets and maintains the permanent internal audit function that is separate and independent from other functions and activities of SIF Moldova.

The department is subordinated to the Board of Directors.

For the purpose of guiding the activity, the internal audit department develops policies and procedures aligned with the requirements of the International Standards for the professional practice of internal audit.

Attributions and responsibilities:

- a) helps the company, both as a whole and its structure, through opinions and recommendations;
- b) assists the company in risk management;
- c) contributes to the improvement of risk management, control and governance processes;
- d) evaluates the adequacy and efficiency of controls regarding the governance, operations and systems of SIF Moldova;
- e) drafts and implements policies and procedures for the exercise of internal audit activity, as well as any modifications thereof;
- f) assesses the risks of the activities carried out by SIF Moldova, at least once a year;
- g) sets, implements and maintains an audit plan to examine and evaluate the adequacy and efficiency of the systems, internal control mechanisms and procedures of SIF Moldova;
- h) submits the Audit Committee and the Board of Directors, the plan regarding internal audit activity and necessary resources, including significant interim modifications;
- i) carries out the missions included in the annual plan;
- j) issues recommendation based on the result of the activity carried out;
- k) at the request of the Audit Committee, the Board of Directors or directors, it carries out ad-hoc missions or exceptional missions (not included in the annual internal audit plan);
- l) verifies the abidance by recommendations
- m) reports on the completion of each mission regarding internal audit issues and the adequacy of adopted measures for the remedy of possible deficiencies;
- n) registers any relevant information that supports the conclusions and results of the engagement;
- o) coordinates the activity of the financial auditor in order to ensure the proper fulfillment of audit objectives and minimize overlapping;
- p) periodically reports to the Audit committee and the Board of Directors about the purpose of the audit activity, authority, responsibility and functioning of the internal audit activity, in respect to the set plan;

- q) verifies if management has accepted a residual risk level that might be unacceptable for SIF Moldova and informs the Board of Directors about the cases when no decision has been made regarding residual risk, in order to have them solved;
- r) carries out formalized counseling missions (included in the Internal Audit Plan), informal, exceptional or in emergency cases, at the express request of the Board of Directors or executive management.

Internal audit carries out insurance and counseling missions

Insurance missions supply an independent evaluation of the governance, risk management and control processes within SIF Moldova. Their insurance mission is run by going through the following stages: planning the internal audit activity, preparing the internal audit mission, on-site intervention, internal audit report, recommendation follow-up and quality analysis.

The activity is carried out as follows:

1. ***planning the internal audit activity***: drafting, endorsement, approval of the multiannual and annual internal audit plan, in compliance with the requirements of the International standards for the professional practice of internal audit and national regulations.
2. ***preparation of the internal audit mission***:
 - informing the manager of the activity that is to be audited regarding the start of the internal audit mission;
 - collection and processing of information concerning the audited structure, activity, program/projects or operations, to facilitate the procedures regarding risk analysis and verification;
 - identification and analysis of specific risks and evaluation of internal control in the audited process/activities/ structures, so that the audit effort be oriented towards the most risky areas;
 - drafting the audit mission program to insure the running of the internal audit mission in good conditions in order to cover all auditable objectives and their associated risks;
 - the meeting with the representatives of the audited structure to introduce the members of the internal audit team, the purpose of the missions, objectives set to achieve the internal audit missions and work methods, as well as setting the calendar of the meetings.
3. ***On-site intervention***:
 - collection of audit samples for the purpose of the audit team getting an insight on the strongpoints and weak points of the audited process/activity/organizational structure and supplying audit samples based on which the ascertainments, recommendation and general conclusion of the audit mission;
 - ascertainment and reporting of irregularities discovered.
4. ***Drafting the internal audit report***:
 - drafting the internal audit report, sending the internal audit report project to the audited structure, for the purpose of analyzing and formulating a point of view regarding the auditors' ascertainments and recommendations;

- analysis of the observations submitted by the audited structure to the internal audit report;
 - analysis, endorsement and approval of the internal audit report and of the action plan for the implementation of recommendations.
5. **Follow-up of recommendation:** making sure that the recommendations submitted following the internal audit report are properly implemented on the set deadlines and the evaluation of the consequences should these not be applied.
 6. **Analysis of the quality of the internal audit quality:** for the purpose of offering a reasonable assurance that internal audit abides by its Charter, functions in an efficient manner and contributes to increasing the value and improvement of the company's operation and to make sure that the objectives of the internal audit mission have been reached.

The counseling missions are consultative and connected activities that have the role of adding value and improving SIF Moldova's governance, risk management and control without the internal auditors taking on a management responsibility.

The specific running methodology for the formalized counseling missions involves going through specific activities: initiation of the counseling mission, opening meeting, collection and processing of information, drafting the counseling mission program, collection and analysis of audit samples, making analysis and wording the ascertainments, revision of work documents, drafting and submitting the counseling mission report and follow-up of the recommendations.

CHAPTER 3 ACCOUNTING PROCEDURES . ACCOUNTING POLICIES AND PROCEDURES MANUAL

The accounting policies represent the specific principles, basis, conventions, rules and practices applied by SIF Moldova for the drafting and presentation of financial statements.

On drafting the accounting policies the basic accounting concepts have been abided by, especially: accrual accounting the activity continuity principle, as well as other principles that govern accounting processes.

The accounting policies have been drafted so as to provide in the financial statements information that is:

- (a) relevant for the needs of the users in the making of decisions and
- (b) credible, in the sense that:
 - they accurately present the financial results and position of the legal entity;
 - they are neutral, that means unbiased;
 - they are prudent;
 - they are complete under all significant aspects;
 - reflect the economic substance of events and transactions and not only they legal form.

1. Approval of Accounting Policies

According to legal provisions (art. 142 Law 31/1990) and statutory provisions (art. 7 paragraph 19 letter b), the Board of Directors has the competence of approving accounting policies (competence that cannot be assigned to directors).

2. Responsibility for the accounting policies manual

The main responsibility regarding the structure and content of the manual belongs to the Chief Financial Officer / Head Accountant who will coordinate any update of the manual so as to reflect the revised procedures, titles, notions.

3. Content of the accounting policies manual

The IFRS Accounting Policies Manual presents general aspects and principles applied by the Company in its daily activity.

The manual contains accounting monographs compliant with regulations in force and an annex that includes the verification list for the presentation requirements of each IFRS standard. At the same time, the manual contains specific aspects related to the company's holdings portfolio:

- ✓ presentation of SIF Moldova's holding portfolio from the perspective of the instruments held: financial assets evaluated at fair value through other comprehensive income (FVTOCI), financial assets evaluated at fair value through profit or loss (FVTPL), financial assets at amortized cost;
- ✓ AFSs are analyzed in the manual depending on the existence of an active market and certain significance thresholds defined by the Company: listed shares with active market, listed shares with inactive market, unlisted shares;
- ✓ the manual specifies the frequency and criteria depending on which the Company ascertains the active market status for the market on which the held instruments are traded;
- ✓ the specific criteria taken into consideration by the Company in the analysis for the calculation of impairment loss are presented.

4. Applicability area of the accounting policies

The accounting policies include rules for the recognition, evaluation and presentation of balance and profit and loss account elements as well as rules for bookkeeping in SIF Moldova. The accounting policies must be applied together with the legislation that regulates the specific activity of the company, accounting law and national law in general. The modification of the law existent on the date the accounting policies were drafted may cause modifications of the accounting policies.

5. Significant Accounting Policies

a. Foreign Currency Transactions

- ✓ The operations expressed in foreign currency are entered in lei at the official exchange rate on the transaction date. The monetary assets and liabilities recorded in estimates on the date the accounting balance is drafted are converted into the functional currency at the exchange rate of that given day.

b. Subsidiaries and associated entities

- ✓ Subsidiaries are entities under the company's control.

- ✓ Associated entities are those entities in which the company can exercise significant influence, but not control on the financial and operational policies.
- ✓ The Company has classified its holdings in subsidiaries and associated entities as financial assets available for sale, in compliance with IFRS9.

c. Accounting in the hyper-inflation effect

- ✓ Romania has been a hyper-inflationist economy between January 1990 and December 2003.

SIF Moldova, a company setup before 2003 has applied the provisions of IAS 29 “Financial reporting in hyper-inflationist economies” in re-approaching the non-monetary elements evaluated at cost, on the first application of the International Financial Reporting Standards adopted by the European Union (“IFRS”). Thus, the provisions of IAS 29 were adopted when drafting the individual financial statements up to the 31st December 2003.

For the purpose of drafting the first individual financial statements in compliance with IFRS, as accounting base, SIF Moldova adjusted the following non-monetary elements to be expressed in the current measurement units on 31st December 2003:

- share capital;
- cost-evaluated financial assets available for sale.

- ✓ Tangible and intangible assets are presented at re-evaluated value.

d. Cash and cash equivalents

- ✓ SIF Moldova Group will report treasury flows from exploitation activities using the indirect method.
- ✓ In SIF Moldova’s case, the following cash collections and payments are reported on a net base:
 - cash collections and payments corresponding to the purchase and sale of financial assets at fair value and financial instruments available for sale;
 - collections and repayment of short-term bank credits.
 -

e. Consolidation

- ✓ The financial statements of subsidiaries are included in the consolidated financial statements from the time control starts to be exercised until the moment it ceases. The accounting policies of SIF Moldova Group’s subsidiaries are modified for the purpose of aligning them to those of SIF Moldova Group. At the moment control is evaluated, potential or convertible vote rights that are exercisable at time are also taken into consideration.
- ✓ The consolidated financial statements include the share of SIF Moldova Group in the result of the associated entities based on the equivalence method, from the date SIF Moldova Group started to exercise significant influence, until this influence ceases.

f. Financial Assets and liabilities

- ✓ When a financial asset or financial liability is **initially recognized**, the entity must evaluate it at fair value plus, in case of a financial asset or liability that is not at fair value through profit or loss, the costs of the transaction that can be directly assigned to the purchase or issue of the financial asset or liability.
- ✓ **Following the initial recognition**, the entity must evaluate **financial assets**, including derived instruments that represent assets, at their fair value, without any

deduction for the trading costs that might be borne on the sale or another transfer, the exception being the following assets categories:

- loans and claims, that should be evaluated at amortized cost through the actual interest method;
- investments held to maturity must be evaluated at amortized cost through the actual interest method; and

All financial assets, with the exception of those evaluated at fair value through profit or loss and equity instruments are subjected to impairment examination.

✓ **Following the initial recognition**, an entity must measure all **financial liabilities** at amortized cost, using the actual interest method, with the exception of:

- financial liabilities evaluated at fair value through profit or loss;
- financial liabilities that occur when the transfer of a financial asset does not meet the de-recognition requirements, or when the continuous implication approach is applied;
- financial guarantee contracts;
- engagements to supply a credit at a rate under that of the market.

Financial liabilities that are designated as hedge instruments are measured in compliance with the requirements of hedge accounting.

Starting on 1st January 2018, SIF Moldova applies the provisions of IFRS9 – Financial Instruments that include requirements regarding the recognition, classification and evaluation of financial instruments, impairment losses, de-recognition and hedge accounting against risks.

g. Fair Value Evaluation

On initial recognition, financial instruments are evaluated at fair value. The trading price is considered to be the best proof of fair value, except when there is evidence that fair value differs from the trading price.

IFRS 13 „Fair value evaluation” defines **fair value** as the price that could be received following the sale of an asset or the price that would be paid to transfer a liability through a normal transaction between the market participants on the evaluation date, in other words, an exit price. This can be observable on an active market or estimated using an evaluation technique.

The price used to evaluate the asset or liability at fair value is not adjusted with the value of trading costs since these do not represent a characteristic of the asset or liability, but a characteristic of the transaction.

Fair value evaluation of liabilities and equity instruments

When there is no listed price available for the transfer of an identical or similar liability, or equity of the entity, and an identical element is held by another party as an asset, an entity must evaluate the liability or equity instrument at fair value, from the perspective of the market participant holding an identical element as an asset, on the evaluation date.

When there is no listed price available for the transfer of a liability or an equity instrument similar or identical with that of the entity, and another party does not hold an identical element as an asset, an entity must evaluate the fair value of the liability or equity

instrument based on another evaluation technique, from the perspective of the market participant that holds the liability or issued on a claim on equity.

Evaluation Techniques

An entity must use evaluation techniques that are proper for the circumstances at hand, for which sufficient data is available for the evaluation at fair value, **maximizing the use of relevant observable entry data and reducing the non-observable entry data at a minimum.**

IFRS 13 specifies three evaluation techniques that may be used:

- market approach
- revenue approach
- cost approach.

In order to evaluate fair value, an entity must use evaluation techniques in compliance with one or more of those approaches.

h. Evaluation at amortized cost and actual interest method

The amortized cost of a financial asset or a financial liability is the value at which the financial asset or financial liability is evaluated at its initial recognition minus the payments of the principal, plus or minus cumulated amortization using the actual interest method for the differences between initial value and value at maturity, minus any impairment reduction (directly or through the use of an adjustment account).

The actual interest method is a calculation method for the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and for the assigning of revenue from interest and expenses with interest during the relevant period.

CHAPTER 4

INTERNAL CONTROL MECHANISMS REGARDING PERSONAL TRANSACTIONS AND SIF MOLDOVA INVESTMENTS

The company has implemented internal control mechanisms regarding the personal transactions of employees, directors and managers, the issue being approached in the “Policies regarding conflicts of interest and personal transactions”.

SIF Moldova has developed internal control mechanisms that ensure that the assets managed by SIF are invested in compliance with legal provisions in force.

CHAPTER 5

INTERNAL RULES AND PROCEDURES TO ENSURE THAT THE SHAREHOLDERS’ COMPLAINTS ARE PROPERLY ADDRESSED AND THAT NO RESTRICTIONS ARE IMPOSED TO THE SHAREHOLDERS WHEN EXERCISING THEIR RIGHTS

- 1- The solving and management of shareholder’s complaints regarding the company’s activity on the stock market**

The Compliance department is responsible for the supervision of the solving and management of shareholders' complaints.

For the responsible and quick management of complaints:

- a registration record is kept for all complaints, and for the measures taken to solve them;
- a permanent committee is set up through the decision of the CEO, that analyzes all shareholders' complaints and if the case be, suggests measures to be adopted by the management;
- replies are sent to the applicants, abiding by the legal deadline.

The internal rules and procedures to ensure that investors' complaints are properly treated involve the following activities/responsibilities:

1. The records and solving of complaints regarding SIF Moldova's activity on the stock market is managed in compliance with applicable legal provisions, namely: all complaints are registered in the sole complaints record and the answer to the applicant is sent within the legal deadline; notifications regarding complaint solving procedures, including alternate solving methods, amiable solving of litigations foreseen by legal provisions in force, that is through conciliation and/or mediation procedure, as well as the contact information necessary in case information is requested regarding the solving status of complaints, are available on the website and accessible to the public at the headquarters of the company at all times; regular reports on the status of registered complaints are submitted to FSA.

The Compliance Department is responsible for the supervision of complaints solving and management.

2. If there are indications regarding a possible infringement of the law and regulations in the stock market field, the representative of the compliance department will make the necessary investigations. If the complaint does not include relevant data to justify the starting of an action, the applicant will be informed in writing about this, and the grounds of the decision will be presented within 30 days from the complaint registration date.
3. When the representative of the compliance department, during the verifications made to solve complaints, ascertains that the legal regimen applicable to the stock market and internal rules and procedures are infringed by the company or an employee of the company, he will immediately notify the Board of Directors and directors or SIF Moldova. The report regarding the investigation of complaints will be submitted to the management of the company during the complaint solving period (maximum 30 days from their registration).

The procedure concerning the solving of complaints regarding SIF Moldova's activity on the stock market is available for the company's relevant staff at all times, in the dedicated module of the integrated IT system; at the same time, the relevant individuals are immediately notified by the compliance department about any modification of the procedure.

2- Rules and procedures to ensure that no restrictions are imposed on the shareholders when exercising their rights

The rules and procedures to ensure that no restrictions are imposed on the shareholders when exercising their rights are included both in the internal work procedures and presented publicly in the “Corporate Governance Code of SIF Moldova”. These concern:

- (1) *Shareholders’ Rights*. Basic rights regard:
 - a. safe methods for the registration of ownership on the shares – *contract with the entity that keeps the shareholders’ records*;
 - b. transfer of shares – *stock and register regulations*;
 - c. obtaining relevant, on-time information about the company:
 - the existence of efficient channels for information dissemination: *webpage www.sifm.ro*
 - actions initiated by FSA/BVB to diversify the methods of providing information on issuers: *website ASF, website BVB*.
 - d. the right to request the convening of GMS, adding to the agenda of the GMS, submit questions regarding GMS agenda, with the abidance by incidental legal provisions;
 - e. the right to participate to GMS – legal formalities concerning the access of shareholders to the proceedings of the general meeting of shareholders are flexible, without imposing unjustified barriers on the exercise of shareholders’ rights (*vote through representation; power of attorney; vote ballot through correspondence*);
 - f. the right to debate and vote in the general meetings;
 - g. election of managers;
 - h. profit assignment;
 - i. right to dividends;
 - j. right of preference and asset re-evaluation.
- (2) *Equitable treatment of shareholders*. The created framework ensures the equitable treatment of all shareholders
- (3) *The role of all interested individuals (interest groups) in corporate management*. The created framework recognizes the rights of interest groups set by the law and encourages the active cooperation between companies and interest groups for the purpose of creating wealth, place of employment and maintaining healthy financial enterprises. .
- (4) *Presentation of Information. Transparency*. The framework created ensures the transparency, opportunity and accuracy of all materials and documents that regard the status of the company including financial status, performances, patrimony and management of the company:
 - a. Regular briefing: the quarterly/half-yearly/ annual regular reports are delivered on the regulated terms in compliance with the notified financial calendar;
 - b. Constant briefing- press releases regarding: the convening/completion of the agenda of GMS, GMS resolutions and resolutions of the Board of Directors adopted based on the competencies delegated by GMS, are published according to the law, as well as the important events.

CHAPTER 6

INTERNAL RULES AND PROCEDURES THAT ALLOW THE SUBMITTING OF ORDERS FOR THE PROMPT AND FAIR EXECUTION OF TRANSACTIONS WITH FINANCIAL INSTRUMENTS IN SIF MOLDOVA’S PORTFOLIO

1. SIF Moldova has implemented mechanisms and procedures that ensure for each transaction in the portfolio **proper and sufficient records that allow its reconstruction when it comes to its origins, parts, nature, moment and place where it was made.**

SIF Moldova uses an Integrated IT System that allows the proper, on time registration of each transaction, as follows:

(1) *stock transaction orders and confirmation*- the information entered in the IT system are:

- for trading orders: AIF name, record number for internal records, issuer, date and time of order transmission, broker, order type, order term, quantity, price, commission. Intermediary modifications are usually presented on the initial trading order: accurate time and date, modification submitted and validity, and it is signed by the individual submitting in from the specialized department
- for executed transactions, based on the information included in the confirmation reports sent by the broker: issuer, transaction time, accurate time and date of the transaction, settlement date, quantity, price/share, broker, market, commission.
- ✓ *subscription/withdrawal forms for fund units*- the information entered in the IT system, based on the information comprised in the confirmation reports sent by the broker/fund: issuer, transaction type, accurate date and time of the transaction, settlement date, quantity, price, broker (if any), market, commission.
- ✓ *sale-purchase agreements for closed shares* – the information entered in the IT system are: contract number, contract type, contract date, issuer, number of shares, contract value, interest, penalty percent, name, counterparty, payment maturity date.
- ✓ *bond transactions*: issuer, transaction type, accurate time and date of the transaction, settlement date, quantity, price, broker(if any), market, commission; data regarding bond coupons: interest rate, reference date, coupon start date, coupon end date, payment term, residual nominal value.

The integrated IT systems provides a higher level of security during electronic data processing, as well as the confidentiality of the information registered, in compliance with the policy regarding information, work procedures and access security.

The records in the IT system are stored in compliance with the backup procedure and the documents on paper – orders and confirmation reports of the transactions on the markets, sale and purchase agreements of closed companies, subscription forms for fund units are archived for a period of 5 years, in compliance with the archive list.

2. SIF Moldova sets and applies procedures and orders that allow the **prompt, equitable and fast execution of orders** that also target the execution of trading decisions and sending of trading orders to other entities for execution purposes.

The responsibilities of the specialized department in the execution of transactions

It is a dedicated department, with specialized staff whose main responsibility is the implementation of investing/disinvesting programs through the use of trading platforms or through negotiations made with the representatives of SSIFs. Responsibilities are clearly defined on hierarchic levels and the processing flow o the

trading orders/confirmation and subscription/buy-back forms for financial instruments:

- a. *The sale/purchase orders and subscription/buy-back forms*, drafted within the limits of the investment programs approved by the CEO/Management department are signed by the coordinators of the Transaction Office or by his replacement and sent for execution through any of the legally allowed means.
 - b. *The monitoring* (depending on technical possibilities) of the running of transactions and the *contract with the broker*, in case of Brokers who do not provide trading platforms – is made by the employees of the department and consists in the follow-up of the market evolution and the evolution of targeted titles, and setting of methods to approach and run the trading operations together with the broker.
 - c. *The processing of confirmations* issued and sent by the Broker – the signing by the coordinator of the Transaction Office or its replacement; the registration in the *Sales/ Purchases Record*; verification of the data entered on the sale/purchase order and those in the confirmation and correction of inconsistencies, if the case be.
3. SIF Moldova applies adequate policies and procedures that prevent fraudulent practices, as well as anticipate the evolution of the market or trading following the closing of the stock market. The procedures ensure the efficient management of portfolio, so as not to prejudice the long-term interests of the shareholders by increasing trading costs and not to make shareholders bare unjustified expenses.

In order to identify and prevent dishonest, fraudulent or malicious practices and actions that might affect the stability and integrity of the stock market, employees of the trading office notify suspicious transactions and market manipulation practices identified while carrying out its activity to the compliance office and to executive management, for analysis and the adoption of measures to be taking, including notification to competent authorities.

CHAPTER 7

INTERNAL RULES AND PROCEDURES REGARDING THE REGISTRATION OF TRANSACTIONS WITH FINANCIAL INSTRUMENTS FROM SIF PORTFOLIO, FOR A MINIM PERIOD OF 5 YEARS

SIF Moldova has an IT system that ensures the safekeeping of market price records for each assets in its portfolio, of net asset value, unitary value of net asset, the calculation method for all commissions, taxes and fees owed, and keeps the history of these operations for at least 5 years.

The safekeeping of market price records for each assets in its portfolio, of net asset value, unitary value of net asset, the calculation method for all commissions, taxes and fees owed for a period of at least 5 years is endured in electronic and paper format in compliance with the specific procedures of each department that manages that particular activities, as well as document management procedures, archiving and backup procedure managed by the Corporate Governance Office.

The Archive nomenclature has safekeeping terms aligned to express legal requirements for this purpose.

In order to ensure the backup activity, the Safety Copy Plan (backup) is drafted – and approved by the CEO de Director General - it includes the content of the saved backup (data, applications, etc.), backup frequency (d/w/m/a), backup media or support, locations where the saved data are or are to be submitted.

The specific work framework for the backup activity is set and formalized (procedures, backup plan, saving environment, etc.) the updates necessary according to legal obligations and internal regulations, the structure of the registers and the individuals responsible for the operations.

Electronic archiving is made according to the Backup plan on the Disaster Recovery server, located in Bucharest, Str. Fecioarei nr. 13, 2nd District. Additionally, the information is saved on electronic media and deposited in a safe deposit bank at a bank, on a monthly basis.

Document management and archiving activity

The registration of SIF Moldova's documents is made through the unique Registration Office where the documents entering and exiting the company are registered and archived along with the internal document flow, in chronological order, in the receipt and exit order in electronic form, in the IT system.

The registration of documents starts on 1st January and ends on 31st December of each year. Through the document management method, the documents issued or received, as well as internal use documents are registered and converted in digital format.

The archive nomenclature is drafted under the coordination of the Corporate Governance Service and approved by the CEO, then sent to the National Archives for approval/confirmation.

The periodical and proper achieving of documents, their submission to the company's archive in compliance with the archive nomenclature and procedure in force are ensured by the company.

For the archived documents with outdated safekeeping term, the CEO approves the selection of files prepared by the Selection Committee (appointed through decision), that is submitted to the Local Department for National Records and after the latter expresses its approval, the outdated files are destroyed and used based on the protocol of the Selection Committee.

CHAPTER 8

CONTROL AND PROTECTION PROCEDURES AND DEVICES IN THE FIELD OF ELECTRONIC DATA PROCESSING AND ENSURING THE INFORMATION SAFETY, INTEGRITY AND CONFIDENTIALITY

SIF Moldova draws up and manages procedures and uses control and protection devices in the field of electronic data processing and guaranteeing the safety, integrity and confidentiality of information, through its dedicated department, the Corporate Governance Office.

The employees are aware of the legal framework where this information is used and the obligations that are assigned to them both internally and externally, as follows:

- internally, standard ISO 27001:2013 is implemented – Information Safety Management System is defined and provide a framework for information management through: document circuit procedure, decisions of directors, collective employment contract, job descriptions;

- externally – the interdiction applied to individuals holding inside information to use this information to obtain or to sell, on their own or through a third party, directly or indirectly, financial instruments or other assets that this information refers to

1. The management of the integrated IT system of SIF Moldova

The access to the IT system is allowed to individual users, based on a password, who have pre-defined viewing and/or modification rights, depending on the attributions of each employee, on module and operations level, in compliance with SIF Moldova's internal rules and procedures.

2. Information Safety Management System

SIF Moldova has the certification of the Information Safety Management System (SMSI), in compliance with the requirements of ISO 27001:2013.

In compliance with the *Policy statement regarding information safety*, SIF Moldova develops its information safety management system in agreement with standard ISO/27001:2013 to protect information against all threats, internal or external, deliberate or accidental: unauthorized access, modification, disclosure, destruction. This systems offers shareholders trust, safety, stability and the guarantee of constant increase of the quality of the services rendered.

Responsibilities:

- a. *CEO* – approves the Information Safety Policy and appoints the Management Representative for Information Safety (RMSI).
- b. *System administrator* – ensures the coordination of activities for information safety insurance in compliance with the implemented information safety policy and procedures; he identifies the approach method for inconsistencies in the functioning of SMSI, significant changes, exposure of information and their processing means to threats; estimates the adequacy level of the information safety measures and coordinates the entire activity for their implementation; takes care of the efficient promotion of the education, training and awareness raising regarding the safety of information within the organization; evaluates all information received from the monitor and analysis activities of safety incidents and recommends proper actions as answer to the safety incidents reported; advises the management of the organization regarding all information safety aspects; informs the management of the organization about the vulnerabilities and risks in the information safety management system and suggests measures to remove them;
- c. *Integrated IT System Administrator (SII)* – manages the access and maintenance of integrated IT system modules linked to the work procedures in force and with specific requirements for data organization and protection.
- d. *Department coordinators as process responsible* – support the identification, documentation, control and constant improvement of the processes necessary for SMSI; makes sure that the staff under their supervision is familiar with SMSI documents; ensures the linking of activities and holds the interfaces under control during the processes between departments; makes sure that the information safety objectives and control procedures are reached and monitors, reports to RMSI;
- e. *Each employee* – abides by the *Safety Policy*, knows and applies the procedures regarding information safety and SII use, applicable to his/her position;

According to its classification category (average risk) SIF Moldova is bound to externally audit its IT System, *once every 3 years*.

According to Law no. 677/2001 for the protection of individuals regarding the processing of personal data, SIF Moldova is registered with ANSPDCP under no. 3449 in the Evidence Record of Personal Data Operators.

CHAPTER 9 ACTIVITY CONTINUITY PLAN

SIF has implemented an Activity Continuity Plan that is destined to prevent and protect any discontinuity in the running of critical activities or processes, or, in case this is not possible to recover this data and functions on time and to re-start the services and activities in maximum 4 days, in compliance with the average risk profile.

1. Activity Continuity Plan

An *Activity Continuity Management System* is implemented in the information management system for the reduction of the impact on the organization and recovery following the loss of sensitive information up to an acceptable level, through a compound of preventive and recovery safety measures. The process is destined to prevent and protect against any discontinuity in the running of critical processes and activities, against the destruction of sensitive information and to resume these as quickly as possible.

The activity continuity plan refers to the activities that will take place only in case of major disasters and emergency situations that make the continuation of operations under normal conditions impossible.

Aspects connected to information safety in business continuity are based on the identification of events (or succession of events) that may cause disruptions in the company's activity. The continuity plan targets all functions and assets of the organization so that it insures a minimum functionality level following the interruption caused by a destructive event, including the activities needed for the recovery of IT processes. The continuity plan takes into consideration the most important key operations for the organization's survival – set through the Activity Impact analysis (BIA) as well as the material and human resources needed to support them.

The business continuity plan includes the Recovery Plan in case of disaster necessary for the recovery of facilities that have become unavailable.

2. Continuity of IT systems.

IT processing is of strategic important in almost all processes of the entity using IT resources, hence the necessity of the existence of a facility for IT processing prepared to be operational in case of a disaster.

Recovery alternative – is *warm site* - type – located in an external location with an IT configuration that executes applications and supports the critical function of the business.

The Recovery Plan in case of Disasters includes the stages to undergo in the recovery of capabilities on the alternate site that has the attributes of a warm-site insuring hardware support, network and telecommunication for the installation/activation of existent backups and the continuity of SIF Moldova's activity.

Plan testing The purpose of the test is to verify the functionality of the plan and identify the components that should be improved. Plan testing is carried out *at least once every two years*.

Plan update

Every time significant modifications occur in the IT system the Continuity Plan is updated. The evaluation of the Continuity Plan is made *on a half-yearly basis* by the executive management and the board.

Backup –safety copies are made for both the data and the software (basic and applications). The method, support and frequency of backups is set through the specific procedure and the Backup Plan. The Continuity Plan is kept in the location destined for the storage of safety copies. .

The responsibilities regarding the activity continuity plan are set in the specific procedure.

CEO

Claudiu DOROS