

EXERPT FROM THE REGULATION ON THE BANK'S TRANSACTIONS WITH ITS RELATED PARTIES ¹

1. GENERAL PROVISIONS

The Regulation on the Bank's transactions with its affiliates is drawn up in accordance with:

- Law on the activity of banks no. 202 of 06.10.2017;
- Law on joint-stock companies no. 1134 of 02.04.1997;
- Law on the protection of personal data no. 133 of 07.08.2011;
- Regulation regarding the administration framework of banks' activity approved by the NBM no. 322 of 20.12.2018;
- Regulation regarding the bank's transactions with its affiliated persons approved by the NBM no. 240 of 09.12.2013;
- The regulation regarding the requirements for the members of the management body of the bank and of the financial holding or mixed holding company, the managers of the branch of a bank from another state, the persons holding key positions and the liquidator of the bank in the process of liquidation, approved by the NBM no. 292 of 29.11.2018;
- Regulation on large exposures, approved by the NBM no. 109 of 04/09/2019;
- Regulation on the treatment of credit risk for banks according to the standardized approach, approved by the NBM no. 111 of 24.05.2018;

The main provisions of the Regulation regarding the Bank's transactions with its persons are:

- the criteria for identifying persons affiliated with the Bank;
- the procedure regarding the monitoring and reporting of persons affiliated to the Bank;
- the process regarding the identification, approval, registration and reporting of the Bank's transactions with its affiliates and the exposures associated with these transactions, to the National Bank of Moldova;
- the types of controls applicable to the Bank's transactions with its affiliates.

General principles

When concluding transactions with its affiliates, the Bank will comply with the following principles:

- the prohibition of concluding transactions with persons whose lack or existence of affiliation with the Bank cannot be established or verified;
- approving transactions in the absence of the persons interested in concluding these transactions;
- the principle of segregation of duties, which provides for the existence of an effective and solid subdivision of corporate governance with the identification of the expectations of the management body, of the roles and responsibilities related to the persons affiliated to the Bank;
- using the highest standards of ethics and transparency regarding the Bank's transactions with its affiliates and emphasizing the expectations regarding the integrity and ethical values of the Bank and its staff;
- compliance with the internal regulatory framework regarding conflicts of interest;
- compliance with the internal regulatory framework regarding anti-corruption;
- engaging in safe and prudent transactions and relationships with its affiliated persons within the limits and in compliance with the legislation in force, in order to avoid involving the Bank in excessive risks, including risks related to the deterioration of the Bank's reputation, and ensuring the trust of the general public;
- the principle of carrying out transactions in the interest of the Bank;
- ensuring transparency and appropriate disclosure of the Bank's transactions with its affiliates;

¹ The publication obligation resides from the NBM Regulation no. 240/2020, Annex no. 2

- the prohibition of the Bank offering gifts and other benefits to its affiliates, except for those provided by the Regulation on the management of gifts and event participation expenses within the JSCB "EXIMBANK".

Transactions with related parties - any transfer of funds or any contractual obligation between the bank's related parties and the bank, whether or not a payment is levied, except for transactions / operations related to:

- a) sale / purchase of currency in cash up to the limit that requires the identification of the person according to Law no. 308/2017 on preventing and combating money laundering money and terrorist financing;
- b) transfers through remittance systems;
- c) replenishment of accounts;
- d) collection / payment of interest / commissions / payments related to credit / placements / deposits loans;
- e) transfers related to salary packages and / or allowances;
- f) withdrawals from the account;
- g) transfers made between the accounts opened by the person affiliated to the bank;
- h) sale / purchase of currency by bank transfer for payment card operations²;
- i) collection of payments for the benefit of payment beneficiaries / suppliers of goods / services;
- j) services provided by banks as bancassurance agent".

Non-banking transactions with related parties of the Bank – all Bank's transactions (rents, services, entrepreneurship, sale-purchase, etc.) except for those concluded with Bank's customers.

2. IDENTIFICATION OF THE BANK'S RELATED PARTIES

Criteria for the identification of the Bank's related parties

In accordance with art.3 of the Law on banking activity and p. 3 of the BNM Regulation no.192 of 29.11.2018, the following persons are classified as Bank's related parties:

- 1) Members of the Bank's corporate bodies:
 - a) members of the Board of Directors;
 - b) members of the Management Committee;
- 2) persons holding key functions:
 - a) the Chief Accountant;
 - b) the managers of the credit structures responsible for the main lending segments - legal entities and / or individuals (corporate and / or retail) and which report directly to a member of the Management Committee;
 - c) the Head of the internal audit function;
 - d) the Head of the risk management function;

² Foreign exchange transactions by transfer (via Internet Banking) are to be exempted from their classification as transactions with related parties if the exchange rate is standard as for non-related parties of the Bank, preset in internet banking (EXIMBANK online).

This Extract does not transpose all the provisions of Regulation B.C. "EXIMBANK" S.A. regarding the Bank's transactions with its affiliated persons and does not constitute a separate internal normative act.

- e) the Head of the compliance function;
 - f) managers of the largest branches of the Bank, determined by the Bank in accordance with the NBM Regulation no.192 of 29/11/2018;
- 3) The party is a legal entity and/or an individual who, directly or indirectly, individually or in concert, holds or controls a share equal to or higher than 1% of the Bank's share capital, including their ultimate beneficial owners. If a spouse of such a party or a relative of the first degree holds or controls a holding in the Bank's share capital, irrespective of its size, then that holding is considered to be held and controlled by that party;
 - 4) The party controls, is controlled by, or is under joint control with the Bank;
 - 5) The party is a legal entity associated with the Bank or is a member of a joint venture, is an associate or an entity in a joint venture of a member of the group of persons acting in concert with the Bank, or the entities and the Bank are members in a joint venture of another person;
 - 6) The party is a person affiliated to any person specified in subparagraphs 1) – 5);
 - 7) The party is any person affiliated to a natural person: spouses, relatives and in - laws of the first and second degree of the natural person, the spouses of the relatives and in - laws mentioned above, as well as the legal person over which the natural person and / or the persons affiliated to it hold control, or have a share in joint ventures, or exercises significant influence over it, or are the members of the corporate bodies thereof;
 - 8) The party is the person through which a transaction with the Bank is carried out in favour of the person referred to in subparagraphs 1) – 7) and which is considered to be influenced by the person referred to in subparagraphs 1) – 7) in the context of that transaction:
 - as a result of employment,
 - as a result of civil relationship
 - *as a result of other kind of relationships:*
 - individuals in divorce³, individuals engaged in guardianship and curatorship relations, the in - laws of relatives up to the second degree of kinship, spouses of the in - laws and of the mentioned individuals;
 - individuals engaged in relations similar to those of spouses (civil partnership) or to those of parents and children;
 - individuals engaged in relations leading to social and/or economic dependence between two or more individuals.
 - 9) The party is any other person as defined by the National Bank of Moldova through its normative acts.

The persons mentioned on p.1) -3) are obliged to inform the Bank, within 3 working days, about any changes made in the Declaration regarding the affiliated persons, presented to the Bank. For the record of affiliated persons, the Bank keeps the Register of persons affiliated to the Bank.

3. IDENTIFICATION, APPROVAL AND REGISTRATION OF THE BANK'S TRANSACTIONS WITH ITS RELATED PARTIES

Rules for conducting the transactions with related parties of the Bank

- The transactions with related parties shall reflect the Bank's interests and shall not be carried out on more advantageous conditions than the same transactions with non-related parties (except for Bank employees that are not related to the Bank).

³ Under the responsibility of the related party of the Bank is to declare their ex-spouses with whom they are still closely connected after divorce.

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- The Bank shall ensure that relations with its related parties, including those related to the businesses of the members of the corporate bodies, do not in any way compromise the decision making and do not prejudice the Bank.
- It is forbidden for the Bank's employees to use the information that constitutes bank secrecy in order to facilitate the concluding of the Bank's transactions with its related parties.
- In order to avoid excessive risks related to transactions with affiliated persons, the Bank's Board must re-examine at least once a year the Bank's transactions with its affiliated persons, existing at the time of the re-examination and undertake the necessary measures to reduce the respective risks.
- When entering into business relations with its affiliated persons, the Bank must identify the material interests that the affiliated person has in relation to the Bank, with the business of a Bank debtor, credit applicant, other Bank client or supplier. Banca va încheia tranzacții cu persoanele sale afiliate numai după acumularea informației (documentelor) suficiente pentru argumentarea avantajului economic pentru Bancă a tranzacțiilor respective, precum și pentru evaluarea riscurilor aferente acestora.

The Bank will not conclude transactions with persons in respect of whom the lack or existence of affiliation with the Bank cannot be established and verified.

All suspicions of violations committed when dealing with related parties are reported to the following addresses:
whistleblowing@eximbank.com.

Maximum limits regarding the Bank's exposure towards its related parties

The exposure value after taking into account the credit risk mitigation techniques in accordance with Chapters VI to IX of the NBM Regulation on large exposures, **to one related party and/or groups of persons connected to this party (individual exposure)**, shall not exceed **10%** of the Bank's eligible capital.

The aggregate value of the amount of the Bank's **exposures towards its related parties and/or groups of clients connected to Bank's related parties (total exposure)**, after taking into account the credit risk mitigation techniques in accordance with the provisions of Chapters VI to IX of the NBM Regulation on Large Exposures, shall not exceed **20%** of the Bank's eligible capital.

The Bank's transactions with its related parties are approved by the corporate bodies as follows:

- 1) **Board of Directors** - with the vote of at least the majority of the members, approves the conclusion/modification of the contractual terms of transactions the value of which exceeds the equivalent of 1 million MDL. In case of transactions that lead to exposure to the Bank, the value of the transaction will be calculated cumulatively with the value of transactions that form exposures with the related party and/or with clients related to the Bank's related party.
- 2) **Management Committee** approves the conclusion/modification of the contractual terms of transactions whose value does not exceed the equivalent of 1 million MDL. In case of transactions that lead to exposure to the Bank, the value of the transaction will be calculated cumulatively with the value of transactions that form exposures with the related party and/or with clients related to the Bank's related party.;
 - **by way of derogation**, the Management Committee or one of its members may approve any transaction with Bank's related party, the value of which exceeds the equivalent of 1 million lei, other than exposures, if the Bank's BoD has approved a framework agreement / general conditions for related parties' transactions, which will clearly specify the terms and conditions regarding the transactions to be carried out by the Bank..

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- **The following transactions** that are carried out under general conditions (according to the conditions of the products and the Tariffs approved by the management body), within the limits of the competences, **can be exempted from the prior approval** and relate to:
 - a) selling / buying currency by transfer and / or in cash up to 1 million lei;
 - b) collection/payment of commissions for intermediation operations, the payment of interest / commissions for transactions concluded with Bank's related parties.

Lending/placement

The Bank will provide credits to related parties/perform placements to related parties, in the same conditions as with non-related parties (except for Bank employees that are not related to the Bank). The Bank shall not charge lower interest rates and fees from related parties than those charged under similar conditions from non-related parties (except for Bank employees that are not related to the Bank). Also, the Bank will not accept collateral with a market value that is lower than similar collateral required from other clients not related to the Bank.

The Bank must impose the same collateral, repayment requirements and conditions for credits/placements, and shall require the submission of complete financial statements and information on the effective use of credit.

The repayment risk assumed by the Bank when extending credit/making placements to related parties, shall not be greater than the one associated with credit/placements to non-related parties.

The Bank shall apply the same measures to related parties with regard to credit/placements repayment as to non-related parties.

Accepting deposits / obtaining loans from the Bank's related parties

The Bank may accept deposits/obtain loans from its related parties under the same terms and conditions as for non-related parties.

The Bank has no right to pay to its related parties a higher interest rate/charge higher commissions on deposits/loans than those paid/charged from non-related parties for similar deposits/loans.

The Bank has no right to offer preferential terms on deposits/loans to its related parties, allow overdrafts (debit balances on liability accounts) on such terms on the respective accounts of the related parties.

Other Bank's transactions with its related parties

Bank's transactions classified as "**non-banking transactions**" will not be carried out on more advantageous terms than those applied to non-related parties.

First Deputy General Manager,

Vitalie Bucătaru

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