

**POLICY on RELATED PERSON TRANSACTIONS
WITHIN B.C. "PROCREDIT BANK" S.A.
(Excerpt)**

General provisions

An identification of the Bank's related parties takes place when we identify the appearance of an affiliation between the Bank and those persons.

Definitions

Persons affiliated/related to another person shall be considered to be the following:

- a) Members of the Management Body and, in the case of the Bank, also certain categories of persons holding key positions as provided for in the regulations of the National Bank of Moldova
- b) Legal entities and/or individuals who, directly or indirectly, individually or in concert, hold or control 1% and more of the Bank's capital, including their beneficial owners. If the spouse of such a person or a first-degree relative owns or controls a holding in the share capital of the Bank, regardless of its size, then that holding shall be deemed to be owned and controlled by this person
- c) Any person who controls the person or is under the control of the person, or together with the person is under the control of another person
- d) Any entity associated with the person or any entity party to joint ventures, any associated entity or any entity party to joint ventures of a member of the group of persons acting in concert with the person or entities and the person – parties to joint ventures of another person
- e) Persons affiliated with the persons specified in letters a) - d)
- f) Persons affiliated with the natural person – spouses, relatives and affinities of the first and second degree of the natural person, spouses of the mentioned relatives and relatives, as well as the legal person over which the natural person and/or its affiliated persons have control or hold part in joint ventures or exercise significant influence or are members of the Management Board
- g) Persons party to a divorce; persons in guardianship and trusteeship relationships; in-laws of first- and second-degree relatives, spouses of said persons and in-laws; persons in relationships similar to those of spouses (cohabitation) or in relationships similar to those between parents and children; persons in other relationships leading to economic dependence between two or more persons
- h) The person through whom a transaction with the Bank is performed in the interest of the person referred to in letters a) - g) and who is considered to be influenced by the person referred to in letters a) - g) within the respective transaction due to the existence of employment, civil or other relations between these persons, determined according to the regulations of the National Bank of Moldova
- i) Liquidator of the Bank in a liquidation process
- j) Other persons determined by the National Bank of Moldova through its normative acts

A transaction with affiliated persons refers to any transfer of funds or contractual obligation between the Bank's affiliated parties and the Bank, whether or not a payment is charged, with the exception of transactions/operations related to:

- a) The sale/purchase of currency in cash up to the threshold requiring client identification under Law no. 308/2017 on preventing and combating money laundering and terrorist financing
- b) Transfers through money remittance systems

- c) Replenishment of accounts
- d) Collection/payment of interest/commissions/payments related to credits/placements/deposits/loans
- e) Transfers related to salary packages and/or allowances
- f) Withdrawals from accounts
- g) Transfers between the accounts opened by the related party with the Bank
- h) The sale/purchase of currency by transfer for operations with payment cards
- i) Collection of payments for the benefit of payment beneficiaries/providers of goods/services
- j) Services provided by banks as bancassurance agents

General principles

When concluding transactions with affiliated persons, the Bank will adhere to the following principles:

- a) Engaging in safe and prudent transactions and relationships with its related parties 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 damage to the Bank's reputation, and to ensure the confidence of the general public
- b) Segregation of duties, which provides for the existence of an efficient and sound corporate governance structure with the identification of the expectations of the Management Body, roles and responsibilities related to the Bank's related parties
- c) Using the highest standards of ethics and transparency in the Bank's transactions with its related parties and will increase expectations regarding the integrity and ethical values of the Bank and its staff
- d) Compliance with the internal regulatory framework on conflicts of interest
- e) Compliance with the internal regulatory framework on fraud prevention
- f) The principle of performing transactions in the interest of the Bank
- g) Ensuring transparency and proper disclosure of transactions with affiliated persons

The client's obligations

The client is required to disclose the information necessary for the Bank to determine whether or not he/she is a related person of the Bank in accordance with item 3.3.13 of the General Conditions for the provision of services for Business Clients within B.C. "ProCredit Bank" S.A., and item 3.3.17 of the General Conditions for the provision of services for private individuals within B.C. "ProCredit Bank" S.A. (Clients utilising the Service Package), as well as item 3.3.18 of the General Conditions for the provision of services to private individuals within B.C. "ProCredit Bank" S.A. (Clients not utilising the Service Package).

Approval of transactions with Bank's related parties

Any transaction with a person related to the Bank whose value exceeds the equivalent of MDL 1 million must be approved prior to its conclusion/modification of the contractual conditions, by the vote of at least the majority of the members of the Bank's Supervisory Board, and in cases where it does not exceed the equivalent of MDL 1 million, it is approved by the majority of the members of the Management Board of the Bank.

In order to determine whether or not the threshold provided above is exceeded, the values of transactions that lead to the formation of exposures to the Bank shall be calculated separately from the values of transactions that do not lead to the formation of exposures to it. In the case of transactions that lead to the formation of exposures to the Bank, the transaction value shall be calculated cumulatively with the value of transactions constituting exposures with the related party and/or clients related to the Bank's related party.

Notwithstanding the conditions stated in the first paragraph, pursuant to this policy approved by the Supervisory Board of the Bank, the following applies:

1) The Management Board or a member thereof shall approve any transaction with the Bank's related parties whose value exceeds the equivalent of MDL 1 million, other than those constituting exposures, if the Bank's Supervisory Board has approved a framework contract/general conditions related to transactions with related parties, which shall clearly specify the terms and conditions regarding the transactions to be performed by the Bank

2) Transactions with the Bank's related parties that are carried out under general conditions (according to the conditions of products and tariffs approved by the Management Body, within the limits of their competences) and relate to the:

- a) Sale/purchase of currency by transfer and/or cash in the amount of up to MDL 1 million
- b) Collection/payment of commissions for intermediation operations, payment of interest/commissions for transactions concluded with the Bank's related parties

At its discretion, the Bank's Supervisory Board may also approve transactions in the amount of up to MDL 1 million or the equivalent of MDL 1 million. The affiliated person having a material interest in a transaction may not be present at any meeting at which this transaction is discussed. If the powers of attorney mentioned are fulfilled by the Management Board or by a member thereof, the Internal Audit subdivision will report periodically (at least quarterly) to the Supervisory Board of the Bank on the volume and correctness of the approval of these transactions.

If an affiliation relationship occurs after entering into a transaction with a person, the Supervisory Board of the Bank shall be informed without delay of the occurrence of the affiliation relationship as well as the existing transactions. The necessary measures shall then be taken to comply with the provisions of this policy within a reasonable amount of time, including reviewing these transactions to assess the related risks and to eliminate any advantageous conditions should they exist.

The Bank shall record and keep track of transactions with affiliated persons by making an entry into the register of transactions with affiliated persons.

Granting of loans/placements

The Bank may grant loans/make placements to affiliated persons under the same conditions as to unaffiliated persons (except for Bank employees who are affiliates of the Bank). The Bank may not charge affiliated persons lower interest rates and commission fees than those charged under similar conditions from unaffiliated persons (except for Bank employees who are not affiliates of the Bank).

The Bank is obliged to impose the same requirements on affiliated persons regarding loan repayment guarantees, the conditions of loan payment/placement, the disclosure of

comprehensive financial information, and information regarding the loan purpose.

When granting loans/making placements with affiliated persons, the repayment risk assumed by the Bank shall not be higher than the risk assumed when granting loans/placements to unaffiliated persons.

When reimbursing loans/placements, the Bank applies the same measures to affiliated persons as to unaffiliated persons.

Accepting deposits/obtaining loans

The Bank may accept deposits/obtain loans from affiliated persons for the same term and under the same conditions as for unaffiliated persons.

The Bank is not entitled to pay to affiliated persons interest or commission on deposits/loans higher than what is paid to other persons for the same type of deposit/loan.

The Bank is not entitled to establish preferential conditions for the deposits/loans of affiliated persons nor allow overdrafts (debit balances from passive accounts) under such conditions on the respective accounts of affiliated persons.

Other transactions with affiliated persons

The Bank may conclude contracts of a nature other than for the purpose of granting loans/making placements with affiliated persons or accepting deposits/obtaining loans from affiliated persons under the same conditions under which contracts are concluded with unaffiliated persons (example: lease of space or other services provided to the Bank, purchase of goods, etc.).

Unauthorised transactions with the Bank's related parties

The Bank may not grant loans or provide other products/services to clients under of the condition of sale or purchase of financial instruments issued by the Bank or its affiliates, including an entity belonging to the group to which the Bank belongs, or under the acceptance by the client of other products/services offered by the Bank or its affiliate, including an entity belonging to the group to which the bank belongs, which is not related to the lending operation or to the requested product/service.

The Bank may not:

- a) Grant loans to a person or facilitate financing from third parties to this person in order to help them pay their obligations to the Bank's affiliate(s)
- b) Mediate the subscription and/or placement of a person's financial instruments and grant loans to that person to pay their debt, interest, or dividends on such financial instruments

At the same time, the Bank may not grant loans or facilitate the receipt of loans for the purchase of financial instruments, the intermediation of subscription and/or placements undertaken by an affiliate.

Important! The Bank shall not conclude transactions with persons whose lack of affiliation with the Bank cannot be identified and verified.

Reporting transactions with Bank's related parties

Based on the information related to the persons identified as affiliates of the Bank, as well as the transactions performed by them, the Bank shall prepare and submit to the National Bank a set of reports.