

**Statement
of Aegon Pensii S.A.F.P.P. S.A. Board
of Directors
regarding the conclusions of the
evaluation on risk management system
efficiency**

The Board of Directors is responsible for the risk management process and the internal control system.

The risk and internal control procedures are properly communicated within the company. Risk management for the Board of Directors is an ongoing process and is focused on the evaluation, management and monitoring the significant risks identify within company's activity. The Board of Directors is periodically informed about the significant risks identified, and about their evolution. The review of significant risks, risk management and internal control activities is performed annually. A structured risk management process has been implemented to ensure the consolidation of the portfolio of the pension funds managed for the benefit of our clients, for the efficiency of the processes carried out in the company, as well as for the development of human capital, in order to increase the operational and financial excellence.

The risks identified within the company are analyzed monthly, quarterly or semi-annually, a particular category being the investment risks that appear in the course of the asset management activity for managed pension funds. In order to minimize the risks within the company's activity, the ones related to the important processes were identified, evaluated and monitored and the application of the controls related to them was followed.

Existing controls consist in the implementation of working procedures and instructions, which include elements regarding: reporting lines, separation of employee's duties, establishing the approval frameworks for transactions, financial reporting and monitoring of process indicators, which provide information on the evolution of the activity over time. The investment risks that are identified in the activity of trading, evaluating and asset management are analyzed by both Investment Direction and the Risk Department through procedures that ensure the separation of the two activities and increasing the efficiency of the controls implemented. The internal procedures implemented ensure efficient and timely management of any conflict of interest situations that may arise during the course of the activity.

The procedures related to business continuity are reviewed with half-yearly reports, and the tests have shown the

**Declaratia
Consiliului de Administratie al Aegon
Pensii S.A.F.P.P. S.A. privind
concluziile evaluării eficienței
sistemului de administrare riscurilor**

Consiliul de Administrație este responsabil pentru procesul de administrare a riscurilor si sistemul de control intern.

Procedurile de risc si control intern sunt comunicate adecvat in cadrul societatii. Gestionarea riscurilor in Consiliul de Administratie este un proces continuu si este axat pe evaluarea, gestionarea si monitorizarea riscurilor semnificative din activitatea societatii. Consiliul de Administratie este informat periodic despre riscurile semnificative identificate in cadrul societatii si despre evolutia acestora. Revizuirea riscurilor semnificative, precum si a activitatilor de administrare a riscurilor si de control intern se efectueaza anual. Un proces structurat de gestionare a riscurilor a fost implementat pentru a asigura consolidarea portofoliilor fondurilor de pensii administrate in beneficiul clientilor nostrii, pentru eficientizarea proceselor derulate in societate, precum si pentru dezvoltarea capitalului uman, in vederea cresterii excelentei operationale si financiare.

Sunt analizate cu frecventa lunara, trimestriala si semestriala riscurile identificate in societate, o categorie aparte fiind reprezentata de riscurile investitionale care apar in cadrul derularii activitatii fondurilor de pensii administrate. Pentru minimizarea riscurilor din cadrul activitatii societatii s-au identificat, evaluat si monitorizat riscurile aferente proceselor importante si s-a urmarit aplicarea controalelor aferente acestora.

Controalele existente constau in implementarea de proceduri si instructiuni de lucru, care cuprind elemente privind: linii de raportare, separarea responsabilitatilor angajatilor, stabilirea cadrelor de aprobare a tranzactiilor efectuate, raportari financiare si monitorizarea indicatorilor de procese, care ofera informatii despre evolutia in timp a activitatii societatii. Riscurile investitionale care se identifica in activitatea de tranzactionare, evaluare si gestionare a activelor din portofoliile de fonduri administrate sunt analizate atat de Directia Investitii, cat si de Departamentul Risc prin proceduri care asigura separarea celor doua activitati, crescand eficienta controalelor implementate. Procedurile interne implementate asigura gestionarea eficienta si in timp a oricaror situatii de conflict de interese care pot aparea in cursul desfasurarii activitatii.

Sunt revizuite cu periodicitate semestriala procedurile referitoare la continuarea activitatii societatii si desfasurarea

efficiency of these procedures. In the current situation, the business continuity plan has been revised by adding the scenarios related to the Covid-19 pandemic, their implementation and application ensuring the security and safety of the company's employees.

The teleworking system has been implemented at the company level, and the activity is carried out at the same quality level as in normal situations. During H2 2021 the scenarios related to working from home, working from office or hybrid were updated twice, and the applicable scenarios were reduced from five to three. The national law provisions were enforced into the internal regulations, as well. The established indicator is the number of new Covid-19 infections per thousand inhabitants in Cluj County, for the last 14 days. At the end H2 2021, Scenario 3 (hybrid) was in place, but at the moment of the completion of The Statement, Scenario 3 (WFH, where possible) is applicable.

In H2 2021 the revision of the internal regulation framework and the automation of some processes related to the assessment of the daily, weekly, monthly and quarterly financial risks took place, in order to enhance the reliability of the outputs of these valuations. The monitoring of the control measures put in place in relation with the operational risks (mainly IT) was carried on, both at the company level, and at the managed pension funds level. During H2 2021, no risk events were identified that would lead to the appearance of new risks or to the modification of the risks identified at the level of the company and of the managed pension funds, or to lead to the implementation of additional controls. In the mentioned processes, only low and medium value risks were identified, and the risk profile remained unchanged and is medium, at the level of H2 2021.

In the internal control missions, carried out during the same period, no deficiencies were identified that would lead to the identification of new risks

Considering that, all identified risks have values that fall within the risk tolerance established at the company level and no new risk mitigation controls have been implemented. It is concluded that the risk management activity has been carried out effectively.

testelor de continuitate a activitatii a demonstrat eficienta acestor proceduri. In contextul actual, planul de continuare a afacerii a fost revizuit, prin modificarea scenariilor de Covid-19, aplicarea acestora, asigurand securitatea si siguranta angajatilor societatii.

S-a implementat sistemul de telemunca la nivelul societatii, iar activitatea se desfasoara la acelasi nivel calitativ ca si in situatii normale. In semestrul II 2021 s-au reanalizat scenariile de lucru de acasa, de la birou sau hibride, acestea adaptandu-se in doua randuri, iar numarul de scenarii aplicabile a fost redus de la cinci la trei. S-a acomodat in reglementarile interne si legislatia nationala aplicabila. Indicatorul stabilit pentru trecerea de la un scenariu la altul este numarul de noi infectari cu Covid-19 la mia de locuitori la nivelul judetului Cluj, pentru ultimele 14 zile. La finalul semestrului II 2021, era aplicabil scenariul 3 (hibrid), dar la momentul elaborarii Declaratiei este aplicabil scenariul 1 (lucru de acasa, unde este posibil).

In semestrul II 2021 a avut loc revizuirea cadrului procedural intern si automatizarea unor procese de evaluare a riscurilor financiare zilnice, saptamanale, lunare si trimestriale, pentru a asigura o fiabilitate mai ridicata a rezultatelor acestor evaluari. S-a continuat monitorizarea masurilor de control aferente riscurilor operationale (in principal IT) la nivelul societatii si a fondurilor de pensii administrate. In cursul semestrului II 2021 nu au fost identificate evenimente de risc care sa conduca la aparitia de riscuri noi sau la modificarea riscurilor identificate la nivelul societatii si a fondurilor de pensii administrate, sau sa duca la implementarea de controale suplimentare. In procesele mentionate, au fost identificate doar riscuri de valoare mica si medie, iar profilul de risc a ramas neschimbat, fiind mediu, la nivelul semestrului II 2021.

In activitatea de control intern, derulata in aceeasi perioada, in cadrul misiunilor de control intern nu au fost identificate deficiente care sa conduca la identificarea de riscuri noi.

Tinandu-se cont de faptul ca toate riscurile identificate au valori care se incadreaza in toleranta de risc stabilita la nivelul societatii si nu s-au implementat controale noi de mitigare a riscurilor, se concluzioneaza ca activitatea de management a riscurilor s-a desfasurat in mod eficient.

Date: 19.01.2022