

**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 nostri, 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

efficiency of these procedures. In the current situation, the business continuity plan has been revised by reassessing the scenarios related to the Covid-19 pandemic, by repositioning the crisis team involved in the reconnection of the critical IT software and hardware, by including the #CX software of client connectivity in the important IT software list. The hybrid work scenarios were successfully implemented, their application ensuring the security and safety of the company's employees.

The hybrid teleworking and on site working system has been implemented at the company level, and the activity is carried out at the same quality level as in normal situations. During H1 2022 the scenarios related to working from home were reassessed, updated, and the applicable scenarios were reduced from three to two. The national law provisions were enforced into the internal regulations, as well, once the state of alert being lifted. The established indicator is the number of new Covid-19 infections per thousand inhabitants in Cluj County, for the last 14 days. Once the county data related to Covid 19 infections were no longer available, the national indicator was taken into account. At the end H1 2022, Scenario 1 (hybrid) was in place.

In H1 2022 took place the review of the operational risks of the company generated by the IT systems (March 2022), as well as the reassessment of the operational risks related to the processes carried out by the company (June 2022). During the first half of 2022, no risk events were identified that would lead to the emergence of new risks, but some of these risks escalated from low to medium values, thus leading to the implementation of additional KRIs. Control measures that focus on risk groups did not need to be changed. An additional challenge was given by the monitoring of market risk and credit risk, as a result of the volatility of the fixed income instrument markets, as well as of the stock markets, generated by the armed conflict in Ukraine and the general increase of the inflation rate. However, only low and medium value risks were identified, and the Risk Profile remained unchanged, at a medium level, at the level of H1 2022.

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.

desfasurarea 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, prin revizuirea echipei angrenate in restabilirea conectivitatii sistemelor informatice esentiale, precum si prin includerea aplicatiei 3CX de conectivitate cu clientii in lista sistemelor informatice importante. Scenariile de munca hibrid au fost aplicate cu succes, asigurand securitatea si siguranta angajatilor societatii.

S-a continuat sistemul hibrid de telemunca si munca la birou la nivelul societatii, iar activitatea se desfasoara la acelasi nivel calitativ ca si in situatii normale. In semestrul I 2022 s-au reanalizat scenariile de lucru de acasa, de la birou sau hibride, acestea adaptandu-se, iar numarul de scenarii aplicabile a fost redus de la trei la doua. S-a acomodat in reglementarile interne si legislatia nationala aplicabila, odata cu renuntarea la starea de alerta. 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. Odata cu indisponibilitatea datelor la nivel judetean, s-a luat in calcul indicatorul echivalent la nivel national. La finalul semestrului I 2022, era aplicabil scenariul 1 (hibrid).

In semestrul I 2022 a avut loc revizuirea riscurilor operationale ale societatii generate de sistemele IT (martie 2022), precum si si riscurile operationale aferente proceselor desfasurate de societate (iunie 2022). In cursul semestrului I 2022 nu au fost identificate evenimente de risc care sa conduca la aparitia de riscuri noi, inasa unele dintre aceste riscuri au trecut la valori medii, conducand astfel la implementarea unor KRI suplimentari. Masurile de control care se concentreaza pe grupe de riscuri nu au necesitat sa fie modificate. O provocare suplimentara a fost data de monitorizarea riscului de piata si riscului de credit, ca urmare a volatilitatii pietelor de instrumente cu venit fix, precum si a celor de actiuni, generate de conflictul armat din Ucraina si cresterea generalizata a ratei inflatiei. Cu toate acestea, au fost identificate doar riscuri de valoare mica si medie, iar Profilul de risc a ramas neschimbat, fiind mediu, la nivelul semestrului I 2022.

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.