



## **5. APPROVAL OF THE GENERAL LIMITS FOR THE REMUNERATION OF DIRECTORS AND OF THE GENERAL LIMITS FOR THE REMUNERATION OF MANAGERS OF SIF MOLDOVA**

In accordance to the provisions of the Articles of Association of SIF Moldova, the Company's activity is ensured by a Board of Directors consisting of 7 members.

*Statute, art. 7(1) - the Company is administered by a Board of Directors consisting of 7 members, natural persons, elected or appointed by the General Assembly for a 4 year term, with the possibility of being re-elected.*

SIF Moldova, as a public limited company legally obligated to audit financial statements<sup>1</sup>, has the obligation to delegate the management of the Company to Directors; as an AOPC, the minimum number imposed for actual leaders (managers) is 2 persons, that may be directors. (CNVM Decision no. 415 / Mar 5, 2008 equates the position of director provided by art. 143 in Law 31 / 1990 with that of leader provided in art. 14 of Law 297 / 2004.)

The actual Board of Directors, elected by the OGAS decision of Apr 24, 2009 and approved by the CNVM through approval no. 22 / May 14, 2009, has approved the delegation of prerogatives of the Board of Directors to the President of the Board of Directors and General Manager and to the Vice-President of the Board of Directors and Assistant General Manager, who in accordance with the provisions of art. 18 of the CNVM regulation no. 15 / 2004, also perform the function of actual leaders of SIF MOLDOVA. The two actual leaders, elected from among the members of the Board of Directors, were approved by the NSC through approval no. 28 / Jun 11, 2009.

The structure of the board of directors respects the requirements of art. 138<sup>1</sup> of Law 31 / 1990 R "In case a public limited company has its leadership prerogatives delegated to managers, according to art. 143, the majority of the members of the Board of Directors is to consist of non-executive directors."

The modification of provisions of Law 31 / 1990 , by Law 441 / 2006 has imposed in the 2005 - 2009 term the conclusion of term contracts by the actual leaders of SIF Moldova.

The present actual leaders, the General Manager and the Assistant General Manager, have concluded management contracts for a 4 year term (current report as of Jun 5, 2009).

The supervision of the activity and the elaboration of recommendations by the Board of Directors is accomplished by the functioning of an auditing committee consisting of 3 members from among the non-executive directors, the president of the committee being elected by rotation every 3 months.

In accordance with the organizational and functioning norms of the Board of Directors as well as the Internal Regulations of SIF Moldova, through the reports by actual leaders and by the auditing committee, the current and periodic information of the Board of Directors is ensured.

<sup>1</sup> Law 31 / 1990 R (A), ART. 137

(1) The public limited company is managed by one or several directors, their number being always odd. When there are several directors, they form a board of directors\*).

(2) Public limited companies whose yearly financial statements are subject to a legal auditing obligation are managed by no less than 3 directors\*).



Considering the economic and financial results reported, the year 2009 continuing the ascending financial performance trend for FIC Moldova, [the net profit realized in the 2009 fiscal year by SIF Moldova represents the highest profit in the last 10 years, a situation reflected in the Income Statement and in the attainment of indicators in the 2009 Revenue and Expense Budget] the performance criteria and the responsibilities imposed through the activity program, the REB as well as the general limits for the remuneration of actual leaders have taken into account the correlation of responsibilities with results and with the salary levels for staff.

The appearance of the premises of manifestation of the economic crisis has reflected in limitations of the possibility to attain some indicators, to ensure a balance between the realized revenue and the level of operational expenses of the Company (decreasing management expenses - staff expenses - by 25,8% in 2009 compared to 2008), which led to the adoption as early as 2009 of a decision to decrease the general limits for the remuneration of managers from 6-9 to 5-8 times the tariff rate.

Presently, the persistence of the same conditions of the macroeconomic environment motivates the conservation of the general limits for the remuneration of Directors and of the general limits for the remuneration of managers of SIF Moldova, at the levels set through the OGAS decisions from Apr 25, 2009 for the 2010 fiscal year, specifically:

- a. the monthly remuneration for a Director should be 2,5 times the tariff rate calculated based on the monthly personal establishment;
- b. an added remuneration for the participation of the director that is a member of a consultative committee of the Board of Directors, at the level of 10% of his monthly remuneration;
- c. general limits for the remuneration of SIF Moldova managers (actual leaders) should be 5-8 times the tariff rate calculated based on the personal establishment.

The Board of Directors, taking into consideration the issues specified above regarding the attainment of performance indicators for 2009, is planning to maintain the proposal for the participation of directors in the benefit plans at a percentual level and the calculation method approved by the yearly general meetings and in the previous term, concurrently correlated with the levels and means of calculation provided in the benefit plans for employees as set forth in the Collective Work Contract, as follows:

- participation of directors in benefit plans with a 1,5% percentage of the net profit calculated before the constitution of the provision related to the corresponding amount.

During the performance of the term of office, directors are reimbursed for all expenses incurred while traveling domestically and abroad, in accordance with the provisions of the Articles of Association, art. 7 (22) and with the management contracts concluded by the actual leaders. By decision of the Board of Directors, subsequent to the approval by CNVM of the directors and actual leaders, the level of expenses that can be reimbursed has been set.



**The Board of Directors proposes to the General Meeting of Shareholders the adoption of the following decisions for this item on the agenda:**

**item5 Approval of the general limits for the remuneration of directors and of general limits for the remuneration of the managers of SIF Moldova.**

- Dec.7** Approves the monthly remuneration for a director at the level of 2,5 times the average tariff rate calculated based on the personal establishment.
- Dec.8** Approves the additional remuneration for the participation of the director that is a member of a consultative committee of the Board of Directors at the level of 10% of their monthly remuneration.
- Dec.9** Approves the general limits for the remuneration of SIF Moldova managers (actual leaders) to 5-8 times the average tariff rate calculated based on the personal establishment.
- Dec.10** Approves the participation of directors in the benefit plans for 2009 at a percentage of 1,5% of the net profit calculated before the constitution of the provision.

**President General Manager**  
**Costel CEOCEA**