

## **STATEMENT ON CORPORATE GOVERNANCE**

VERUM GROUP is one of leaders in the agro-industrial sector of the Republic of Moldova.

The mission of VERUM GROUP is to create value added in agriculture and processing industry through the most efficient use of natural resources, material and financial assets and human capital.

In its activities, VERUM GROUP strictly respects the laws of the countries under whose jurisdiction it carries out its economic activities and respects the generally accepted principles of social responsibility.

VERUM GROUP focuses on improving the environment, efficient production and the use of renewable natural resources.

VERUM GROUP pays special attention to human capital, whose development and preservation is considered one of the key success factors.

VERUM GROUP's competitive advantage is formed through the development and implementation of innovative approaches and technologies in sales, production and management.

The normative basis of VERUM GROUP consists of policies, regulations, bylaws, procedures and decisions of the General Meeting of Shareholders and the Supervisory Board that govern the activities of the Group. Lower-level normative documents can be adopted and applied only if they are issued on the basis of the documents indicated above and do not contradict them.

In their work, VERUM GROUP employees can be guided by standards that are not provided for by the normative basis of the Group, but are generally accepted and applied for a long period of time in a certain field and do not contravene the regulations in force, corporate culture and moral standards generally accepted.

### **Corporate governance principles in VERUM GROUP**

- Protection of shareholders' rights and interests
- Efficiency and responsibility of managers and governing bodies
- Legality - compliance with legal and regulatory requirements

- Responsibility and separation of powers between all governing bodies
- Transparency and disclosure of information.

### **VERUM GROUP organizational principles**

- The structure is formed based on the required results (products), and not on the actions performed.
- Value creation (added value) is more important than the management process.
- Each subdivision in the value chain will execute the maximum number of tasks within the execution of the business process before transferring the tasks to the next subdivision and/or executor.
- The subdivision bears full responsibility for the results obtained within the implemented business processes.
- Within the management system, the creation and operation of informal centers of responsibility and management, as well as fictitious workplaces that contradict the statute, the regulations in force and the mission of VERUM GROUP, are not allowed.
- The organizational system has a multi-level structure with a hierarchical chain of subordination from top to bottom and linear interaction within the hierarchical level. The number of levels is determined by the control norm and the need for specialization.
- In order to ensure a higher quality of decisions taken in positions with increased responsibility and where these decisions have long-term consequences, a decision-making mechanism is created by a group of people (collective management bodies).
- The Supervisory Board is made up of independent members who are not involved in the Group's executive management. The decisions of the Supervisory Board are taken with the majority of votes of its members.
- The members of the Executive Committee participate in the meetings of the Supervisory Board as obligatorily invited persons, without the right to vote, but with the right to express and record their divergent opinions in the minutes of the meeting.
- Regulatory and control functions cannot be exercised by the same governing body. By control is meant the performance of

operational functions to verify the compliance of the practical actions of the object of verification with the regulated norms.

- Regulatory and executive functions cannot be exercised by the same governing body. If a body performs an executive function, it cannot change the regulations, but it can submit proposals for changes to the competent governing body for examination.