

# RISK MANAGEMENT POLICY

## I. INTRODUCTION

### Article 1

The Risk management policy is adopted with the aim of better regulation and improvement of the Company's corporate governance system.

## II. PURPOSE AND OBJECTIVES OF THE RISK MANAGEMENT POLICY

### Article 2

The Policy is a set of rules by which the Company establishes mechanisms and measures for risk management within the Company.

## III. RISKS OF THE COMPANY

### Article 3

The Company faces the following business risks:

- 1) Financial risks (currency, interest rate, credit, price, liquidity risks and equity risks) - are related to financial variables and may cause difficulties in settling the Company's financial obligations, liquidity, debt management, etc.
- 2) Operational risks - can arise from inadequate use of information, omissions in operational management, non-compliance with internal procedures, human factor, IT systems, financial reporting and related risk, etc.

- 3) Strategic risks - related to the corporate conduct, industrial changes, macroeconomic and market trends, acquisitions, business development, communication and investor relations, as well as natural disasters and catastrophe, pandemics, food shortages, civil riots, war, etc.; above mentioned risks are specific to the Company's business, over which Company has limited influence, as well as risks the Company can neither control nor influence.

- 4) Regulatory risks - may occur due to non-compliance with legal regulations issued by the state and local self-government or due to changes in tax and other regulations.

## IV. RISK MANAGEMENT MEASURES

### Article 4

The Company actively monitors risk levels and takes timely risk management steps. Internal audit systematically assesses key risks, which are then quantified and ranked separately through the corporate risk matrix.

Each risk is valued in such a way that the probability of occurrence of a certain event as well as its impact on the business is estimated.

### Article 5

The risk management process consists of the following steps:

- 1) Identification of potential risks in business,
- 2) Risk analysis and assessment
- 3) Defining activities and assigning responsibilities to enable effective contribution to risk management,
- 4) Supervision and monitoring of initiatives aimed at avoiding the occurrence of risky events,
- 5) Exchange of information on the results of risk management managed by the Management Board.

## Article 6

The Management Board is obliged to assess possible risks when setting certain strategic goals, and especially before concluding certain legal transactions that achieve the set strategic goals. Before concluding any such legal transaction, the Management Board is obliged to request the prior consent of the Supervisory Board in accordance with the internal acts of the Company.

## Article 7

The Risk Management Regulation regulates bodies, procedures, powers and responsibilities in the Company in cases of risks and/or threats to the Company's operations caused by external influences such as natural disasters, epidemics, pandemics, terrorist threats and other similar events and/or threats.

In accordance with the provisions of the Regulation on risk management in crises, the Risk Management Committee manages the risk.