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## AB AKOLA GROUP

### GROUP RISK MANAGEMENT POLICY

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- Purpose:** Define the main concepts, principles, and objectives of risk management, establish a unified Group Risk Management model, and clarify the responsibilities of all participants.
- Scope:** It shall apply to AB Akola Group and all companies directly or indirectly *de jure* controlled (managed) by it.

#### 1. GENERAL PROVISIONS

- 1.1. **AB Akola Group**, legal entity's code 148030011, registered office at Subačiaus St. 5, Vilnius, the Republic of Lithuania, risk management policy ("**Policy**") is the main document setting out the uniform risk management principles within the Group. The policy defines:
- the basic concepts of risk management;
  - the principles of risk management organization and responsibilities to ensure the implementation of the Group's strategy, improve the quality of services and management and increase the trust of the Companies;
  - the interaction between AB Akola Group and other Group companies in the risk management process.
- 1.2. The Policy has been prepared in accordance with the guidelines of international Risk Management Standards – COSO (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000:2018 (Risk management – Principles and guidelines), in order to comply with the best Risk Management practices.
- 1.3. The Policy is aligned with the Group's corporate governance policy.

#### 2. DEFINITIONS

- 2.1. Definitions used in this Policy shall be understood as set out below:

|                                |   |
|--------------------------------|---|
| <b>Company</b>                 | any of the Group's companies;   |
| <b>Group</b>                   | AB Akola Group, legal entity's code 148030011, address Subačiaus St. 5, Vilnius, and the companies it controls jointly;             |
| <b>Risk Management Process</b> | a process aimed at identifying, assessing and mitigating the impact of potential negative events (risks) on the Group's operations. |

### 3. RISK MANAGEMENT PRINCIPLES

The Group's Risk Management process is based on the following principles:

- 3.1. **Value creation** – risk management directly contributes to the implementation of the Group's strategic and operational objectives by enabling proper preparation for potential negative events, facilitating faster responses, and reducing both their probability and impact.
- 3.2. **Integrity** – risk management is integrated into the Group's daily management, control, planning and implementation of changes, and risk management information supports the Group's governing bodies and managers in making better-informed decisions, prioritizing actions, and assessing possible alternatives and their consequences.
- 3.3. **Relevance and reliability of information** – risk management is based on reliable historical data, observation, experience and expert assessment.
- 3.4. **Efficiency and proportionality** – funds allocated to risk management measures are distributed rationally and economically justified, and the costs of managing a specific risk do not exceed the opportunity costs that the Group or the Company would incur by assuming the risk.
- 3.5. **Independence of the Companies** – each Company and its collegial bodies act independently within the limits of their competence, assuming responsibility for the decisions made, regardless of whether the relevant areas of activity are regulated by the Group's risk management documents.
- 3.6. **Transparency** – Companies provide information about material risks to interested parties in a clear, honest and timely manner, aiming to communicate the motives of the decisions made and increase trust of the Companies.

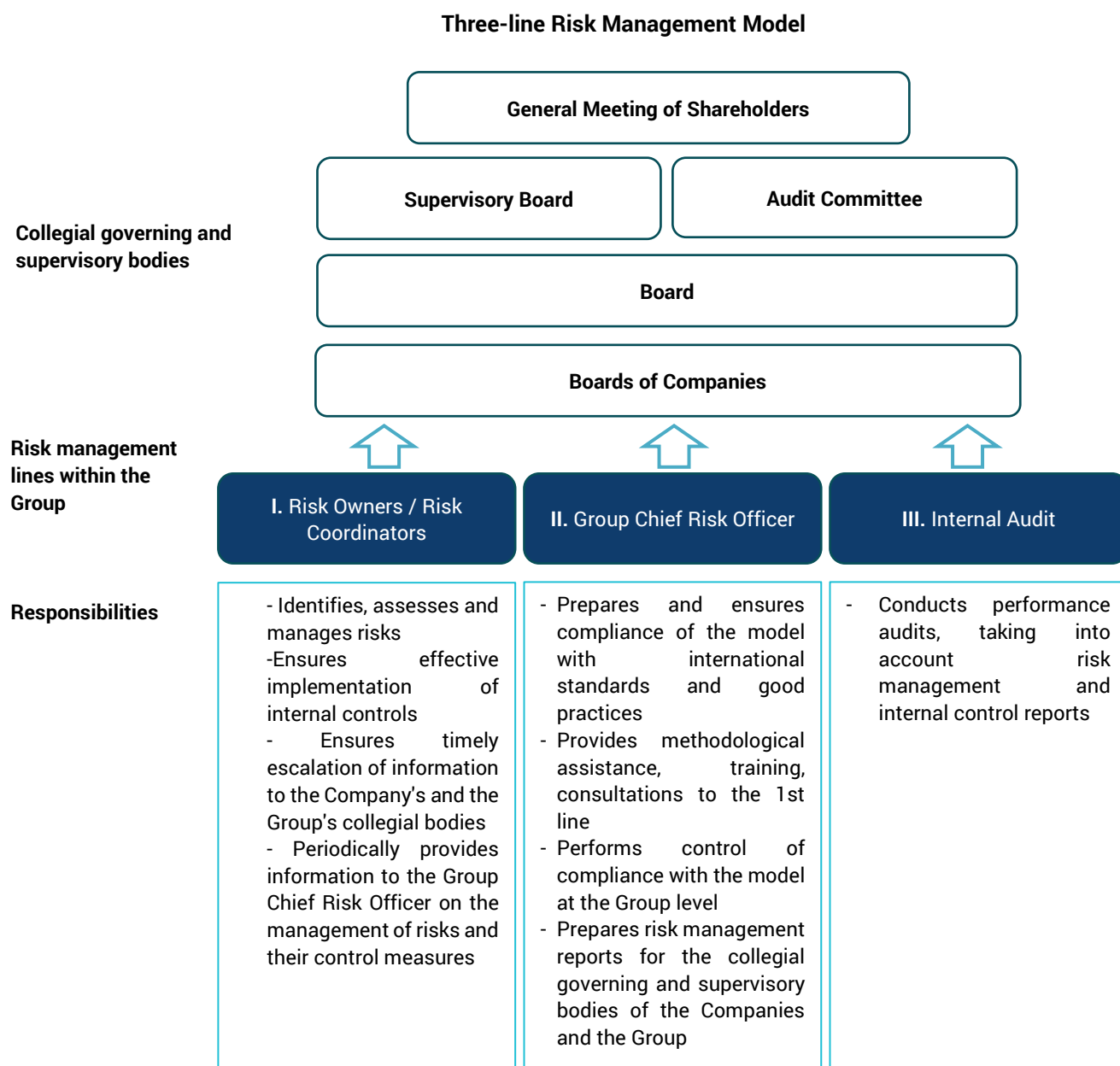
### 4. RISK MANAGEMENT PROCESS

- 4.1. The Group applies the Three-Line Risk Management Model<sup>1</sup> (see figure below), establishing a clear division of responsibilities for risk management and control within the Group between management and supervisory bodies and structural divisions.
- 4.2. The Group applies a unified Risk Management Process consisting of the following stages:
  - 4.2.1. Taking into account the internal and external environment of the Company, as well as previous risk assessment results and the application of risk management measures, the participants, scope, and risk assessment criteria of the risk management process are determined.
  - 4.2.2. Risks are regularly identified, analysed and assessed.
  - 4.2.3. Assessed risks are prioritized according to their significance and potential impact on the Group's activities.
  - 4.2.4. Plans for necessary measures are developed to manage priority risks.
  - 4.2.5. Continuous monitoring of identified risks and risk management measures is conducted.
  - 4.2.6. The results of risk monitoring and management measures are periodically reported to the Group and Company management, the Board, the Audit Committee, and the Supervisory Board, according to their respective areas of competence.
- 4.3. In situations of uncertainty, the Group may face not only risks with negative impacts but also opportunities that can generate additional benefits if leveraged. Therefore, the Group's risk management approach encompasses both the control of adverse risks and the identification and exploitation of opportunities arising under uncertain conditions.

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<sup>1</sup> The Three Lines Model is a widely recognized Enterprise Risk Management model developed by the Institute of Internal Auditors (IIA) that defines the responsibilities and roles for risk management and control of an organization's operations.

- 4.4. The Risk Management Process and the responsibilities of the participants are detailed in the Policy Annexes "Risk Management Methodology" and "Risk Management Responsibility Matrix".



## 5. FINAL PROVISIONS

- 5.1. The Policy comes into force on the date of its approval.
- 5.2. It is recommended that the managers of the Companies implement this Policy when deciding to adopt it. By adopting the Policy, the governing bodies of the Companies commit to ensuring that the governance of their respective Companies – including their internal documents – complies with the principles and rules established in the Group's Corporate Governance Documents.
- 5.3. The Group's Risk Management function prepares internal regulatory legal acts to ensure the uniform implementation of the Policy provisions across the Group.
- 5.4. The Group's Risk Management function shall review the Policy at least every two years or more frequently if significant changes occur.

- 5.5. The provisions of the Policy are reviewed whenever there are changes to the Group's organizational structure, operational functions, or responsibilities, other significant developments occur, or an update to the Policy is required.
- 5.6. Each Employee is informed of the Policy in accordance with the procedures established by the relevant Company.
- 5.7. Immediately after the Policy is approved, it is posted on the website [www.akolagroup.it](http://www.akolagroup.it) and remains accessible to Employees at all times.