

# RISK MANAGEMENT POLICY PCC EXOL SA

## CHAPTER I

### RISK MANAGEMENT POLICY - OBJECTIVES

#### § 1

1. This policy is aimed at striving to identification of potential events that may have an impact on the Company's operations, maintaining identified risks on the determined levels, as well as efficient implementation of the Company's objectives.
2. The policy is Company's management tool and a set of guidelines for every employee.

#### § 2

1. Risk mitigation is carried out through planning and implementing proper mechanisms of supervision, determined based on the results of risk monitoring and assessment, as well as thanks to undertaking measures aimed at reduction of consequences of negative events, for example emergency plans.

## CHAPTER II

### RISK MANAGEMENT POLICY - SCOPE

#### § 3

1. The policy is applicable for all organisational entities of the Company and its employees.
2. The policy is implemented based on:
  - strategic planning related to the annual identification and analysis of the risk, performed on the Company's highest level,
  - operational planning related to the current identification, risk assessment and undertaking corrective-measures.
3. Risk management includes interlinked stages that result from the management and are strictly integrated into this process:
  - 1) definition of objectives,
  - 2) risk identification,
  - 3) risk analysis and assessment,
  - 4) risk management,
  - 5) monitoring and supervision,
  - 6) information and communication.

## CHAPTER III

### RESPONSIBILITY FOR RISK MANAGEMENT POLICY IMPLEMENTATION

#### § 4

1. The following persons are responsible for the proper flow of the risk management process:
  - The Management Board is responsible for risk management on a strategic level,
  - Managers of the operational units - responsible for risk management on an operational level,
  - The Management Board's Representative for Risk Management.



2. All the remaining employees are obliged to know and comply with the Risk Management Policy, and within their competencies they need to monitor risk level in the workplace, inform their managers about any events that may result in negative effects to the Company's operation, including new possible risks or any significant changes in the risk level.

## CHAPTER IV

### ELEMENTS OF THE RISK MANAGEMENT PROCESS

#### 1. DEFINITION OF OBJECTIVES

##### § 5

1. Risk management covers the entire operation of the Company, including design, production and sales of organic and inorganic chemistry products.
2. Risk identification is performed according to the methodology determined by the Company's internal procedure.

#### 2. RISK IDENTIFICATION

##### § 6

1. Risk identification consists in collection and organisation of information about existing threats, compiled in summaries and in a way enabling further analyses, including the assessment.
2. Threats significantly hampering the Company's operations include: market risk, liquidity risk, credit risk, risk connected with unforeseen occurrences as well as operational risk.

#### 3. RISK ANALYSIS AND ASSESSMENT

##### § 7

1. The objective of risk analysis is to determine the probability and possible effects of a given hazard.
2. Risk analysis covers specific measures aimed at reduction of a threat's impact on the operations of a given entity, and undertaking proper risk prevention and mitigation measures.
3. The necessity to perform risk analysis results from the need to better understand the specifics of an identified risk.

The analysis includes:

- identification of the cause and the possible impact,
- definition of the categories of risk,
- association of risk with the objectives of the Company.

##### § 8

1. The identified threats are subject to an analysis with regard to their significance within the Company's objectives.
2. During assessment of probability of a given event/threat, one needs to take into account the existing supervision mechanisms, their efficiency and advancement level.

#### 4. RISK MANAGEMENT

##### § 9

1. Risk management consists in indication and implementation of a proper response to risks. This stage includes identification and assessment of the possible responses to risk, as well as selection, preparation and implementation of response plans.
2. The Managers of the organisational units decide upon the manner of coping with risk.
3. There are two manners of response to risk:



- avoiding risk - risk mitigation,
- risk transfer,
- risk acceptance.

### § 10

1. The Management Board, from the strategic point of view, accepts a high level of risk, taking into account the situation of the Company, the cost of a given risk mitigation, as well as the possibilities to have an impact on an acceptable risk.

2. The Management Board may decide on acceptance of any risk level, without undertaking any corrective measures.

### § 11

Regarding any identified risk exceeding the acceptable level, a person responsible for a given area is obliged to plan proper supervisory and corrective measures.

## 5. MONITORING AND SUPERVISION

### § 12

1. The Managers of the organisational units are responsible for monitoring of risk in order to answer the following questions:

- does the risk still occur?
- did any new threats appear?
- did the probability and the impact change (did the risk level change)?
- are the applied supervision mechanisms efficient?

2. Risk monitoring is a continuous process in which all employees of the Company are engaged.

3. Moreover, the Managers of the organisational units must review all risk management measures applicable in their units and implemented projects, in order to submit improvement suggestions through the Management Board's Representative for Risk Management.

## CHAPTER V

### RISK MANAGEMENT POLICY UPDATES

### § 13

1. The Risk Management Policy is reviewed annually.

2. The Management Board's Representative for Risk Management is responsible for the review and any updates.

3. Each update must be approved by the Management Board.

Brzeg Dolny, 20 November 2017

**Mirostaw Siwinski**  
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