

ASSESSMENT OF THE RISK MANAGEMENT SYSTEM**at 31.12.2022***- Extract -*

Within S.I.F. Oltenia S.A., the risk management system is set up so as to ensure an efficient management, in accordance with the governance principles, ensuring the identification, measurement, management and assessment of the relevant risks to which the company is or may be exposed. The Risk Management Policy, in which the guiding principles regarding the risk management are presented, together with the procedures specific to each risk category that the company considers relevant in relation to the activity carried out, ensures the formal risk management framework.

Within the company, the Risk Management Office, the Compliance Office and the Internal Audit Office are established, which periodically presents to the Board of Directors and the Audit Committee relevant information, including potential identified vulnerabilities that could have an impact on the company's activity.

The risks relevant to the company, analyzed in the risk reports are: market risk, liquidity risk, credit risk and operational risk.

Following the analyzes carried out in the framework of the risk reports, it is found that:

- the current level of relevant risks to which the company is exposed complies with the established risk limits;
- there are no foreseeable indications leading to a possible exceeding of the limits imposed by the legislation;
- based on the risk appetite and tolerance limits approved by the relevant risk management policy and procedures, the risk profile is in accordance with these limits;
- there is no significant risk that the risk profile becomes non-compliant;
- the assets and financial instruments constituting the managed portfolio are valued in accordance with the approved legal provisions and internal procedures.
- the assets of the company are managed in accordance with the requirements of the capital market regulations.

The efficiency of the risk management system was assessed for the period related to the second semester of 2022 by the Audit Committee and submitted to the Board of Directors of S.I.F. Oltenia S.A., in accordance with the provisions of art. 45 of the FSA Regulation no. 2/2016 on the application of the corporate governance principles by the entities authorized, regulated and supervised by the F.S.A., as amended and supplemented by the FSA Regulation no. 9/13.08.2019.

Through the verification and control activities of the risk management system, including through recommendations formulated by the functional structures with the role of key functions within the company, measures are put in place to monitor the possible vulnerabilities noticed in carrying out the company's activity. Following the assessment, it was found that the risk management system adopted at company level is adequate and functions effectively, and the measures adopted for the monitoring and control of exposures are adequate in relation to the nature and complexity of the activity.