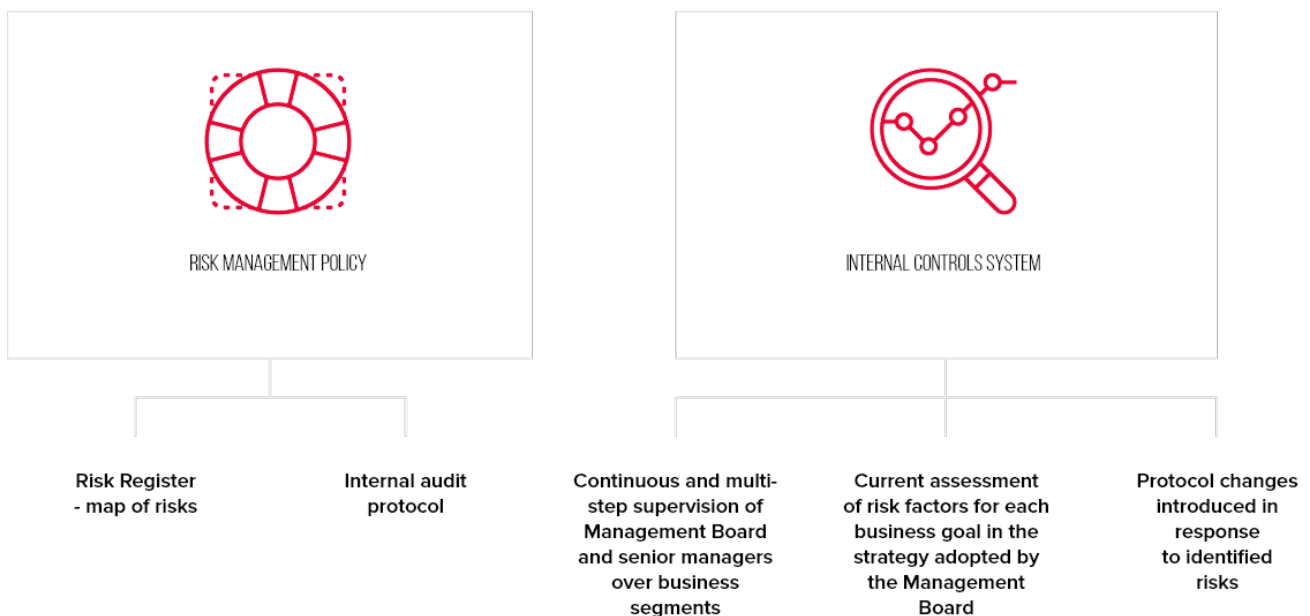


RISK MANAGEMENT POLICY

Internal controls and risk management systems

Agora Group has internal control and risk management systems currently in place.



RISK MANAGEMENT POLICY

Agora Group has implemented a Risk Management Policy aimed at specifying the rules and framework of risk management processes and key concepts relevant to risk management. The document specifies: division of responsibilities risk management timeline; categories of risk; risk reporting: register and map of risks and acceptable risk threshold.

Agora Group also developed Internal Audit Regulations and Risk Register – Map of Risks. Map of Risks is based on data from entries in Register of Risks from the year. Management Board determines key risks and reports them in the form of Map of Risks. For each key risk, the intensity of results of its occurrence is identified as well as the probability of their materialisation. Additionally, the organization determines factors that mitigate the results

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and the probability. For each key risk, it is determined whether the risk is sufficiently reduced, i.e. whether the degree of risk is acceptable to Agora Group.

THE MAIN ELEMENTS OF THE INTERNAL CONTROL SYSTEM ARE COMPONENTS OF THE GROUP'S BUSINESS PROCESSES AND INCLUDE:

- procedures and by-laws regarding, inter alia: delegation of competences and decision authorization, evaluation of business projects, spending rules (budgets and approval limits), registration and processing of business transactions, reporting and transaction control of the processes and results of Agora Group's operations in each business sector,
- controls in the IT systems supporting execution of the business processes and monitoring activities of the system itself.

Agora Group executives perform tasks involved in internal control system and continuous supervision over its effectiveness as part of managing the Group's businesses. Moreover, Agora Group has Internal Audit Department that performs internal audit, as an independent entity, to objectively assess the entity's effectiveness for generating values and optimize the operations of the audited entity or the entire Agora Group. The operations of AD are specified in Internal Audit Regulations adopted by Management Board and Auditing Committee at the Supervisory Board of Agora Group. In accordance with the best practices, Internal Audit reports to Management Board and Auditing Committee at Supervisory Board. Internal Audit Director coordinates risk management processes specified in Risk Management Policy. Following Internal Audit Regulations, on the basis of risk management results, the body develops auditing plan to be approved by Auditing Committee at Supervisory Board. A report is developed from each audit, with recommendations and guidelines for process optimisations.

Auditing Committee at Supervisory Board regularly sits with Internal Audit to discuss audit reports and measures taken to mitigate existing risks, and on that basis monitor the achievement of annual internal audits plan. Nine such meetings were held in 2019 and six in 2018.