

RISK MANAGEMENT SYSTEM POLICY AND CONTINUOUS BUSINESS PLANNING

Risk management policy at **MONSSON OPERATION** is to adopt the best practices to identify, assess and effectively control the risks, in order to ensure that they are eliminated or reduced to an acceptable level that will not affect the functioning of company or the quality of provided services. All our employees are aware that they must understand the nature of risk and accept responsibility for the risks associated to their activities.

Based on its specific activity **MONSSON OPERATION** may face risks from various areas such as: human resources, information, public relations, legislative field etc. How these risks are managed and addressed is of key importance for the company's success.

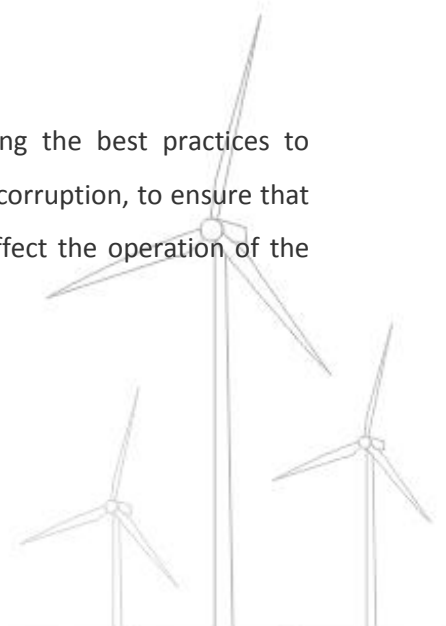
The company's goals are not limited only to those derived from the purposes for which it was created. In order to achieve its goals, **MONSSON OPERATION** uses resources; therefore it is necessary to define objectives linked to their efficient use and assets security.

Also, **MONSSON OPERATION** generates and uses information, so a number of objectives aim the reliability of internal and external information, in which a central place is occupied by the reliability of accounting information, as they reflect the financial and patrimonial situation.

MONSSON OPERATION operates in a regulated environment, and therefore it is natural to set goals related to compliance with laws, subsequent legal acts, internal regulations and policies.

Risk management implemented within **MONSSON OPERATION** in accordance to the requirements of international standard **SR ISO 31000: 2010**, represents the culture, processes and structures directed towards the effective management of potential opportunities.

Risk management policy within **MONSSON OPERATION** means adopting the best practices to identify, assess and efficiently control the risks, including those regarding corruption, to ensure that they are eliminated or reduced to an acceptable level which does not affect the operation of the company or the quality of provided services.



STRATEGY:

Risk management strategy has been developed to ensure that **MONSSON OPERATION** exercises its functions so as to ensure that financial, strategic, operational, legislative risks are managed in the most efficient and effective way possible, respecting acceptable quality standards.

The aim of the strategy is to ensure that company's objectives are met while ensuring protection against losses under various forms, including opportunities loss, financial loss, loss of reputation and credibility.

RISK MANAGEMENT OBJECTIVES:

MONSSON OPERATION risk management objectives are the following:

- The integration of risk management with other existing management systems;
- Anticipating and responding to social and environmental changing conditions, and in terms of legal and regulatory requirements;
- Preventing loss and damage and the reduction of risk cost;
- Raising awareness about the need for risk management.

These objectives can be achieved by:

- Inclusion of risk management on the meeting agenda of the management employees;
- Organizing training sessions to increase awareness about risk management;
- Executing simulation exercises of intervention plans in areas where there is a potential risk of an incident with catastrophic effect on the company and its operating capacity;
- Maintaining an effective communication and active involvement of each employee;
- Ongoing risks monitoring by each employee and periodically by the responsible person in the company.

CONTINUOUS BUSINESS PLANNING (CBP):

MONSSON OPERATION continuous business planning consists of integrated plans and procedures verified integrated in normal operational processes that allow our business to protect itself from threats. This includes monitoring, crisis management, emergency response, recovery, limiting the damage, mitigation and acceptance of residual risk. It is not a plan for recovery in case of a disaster, a contingency plan, or an emergency response plan, although they may indeed be regarded as part of ongoing business planning process. Inventory, goods, processes, and human resources are each essential factors which are taken into consideration during the continuous business planning. Continuous business planning success depends on our company's ability to integrate system recovery within the extensive planning effort.

Continuous business planning is a holistic process that identifies the potential impact of an incident which constitutes a threat to an organization. This provides a path to ensure resilience and capability

of an effective response to protect the interests of key stakeholders, reputation, brand and value creating activities.

THE OBJECTIVE OF CONTINUOUS BUSINESS PLANNING (CBP):

The objective of continuous business planning for **MONSSON OPERATION** company is providing a general framework and a standardized approach to start the process and assist with necessary information.

CBP is designed to counteract interruptions to business activities and to protect critical business processes from the effects of major accidents and disasters.

Continuous business Planning is implemented to reduce tears caused by disasters and security breaches (which could result from natural disasters, accidents, faulty equipment, or intended acts) to an acceptable level through a combination of means of prevention and recovery control.

Periodically, during the management's analysis meetings consequences of possible disasters, security failures and the loss of services are analyzed.

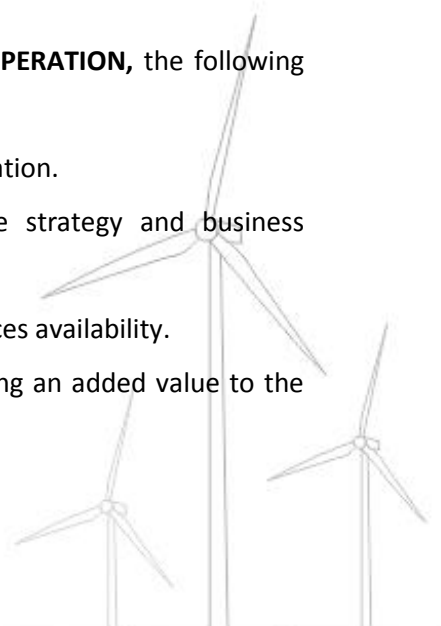
MONSSON OPERATION CBP process includes control means for identifying and reducing risks and for limiting the consequences of damaging incidents. There are also drawn up and implemented contingency plans. These plans are implemented and supported so that they are an integral part of all other management processes to make sure that key business processes and operations can be restored within the time required.

Continuous business planning does not mean preparing for an event that could never happen; it means planning for an event with a high probability of happening.

CONTINUOUS BUSINESS PLANNING PRINCIPLES APPLIED WITHIN MONSSON OPERATION :

When establishing the continuous business planning within **MONSSON OPERATION**, the following principles are applied and respected:

1. Business continuity planning is an essential part in managing the organization.
2. Planning activities correspond, emphasize and directly support the strategy and business objectives of the organization.
3. **CBP** provides organizational resilience to optimize productivity and services availability.
4. **CBP** is a cost-effective management process. It focuses more on bringing an added value to the business management than on leadership or guidance considerations.



5. The organization and its components have responsibility and accountability for the support, implementation, and testing a robust testing program, in order to ensure effective **CBP** skills and capacities, suitable for the purpose.
6. All the strategies, plans, and **CBP** solutions are detained and started by the business. They are based on critical activities for the business mission.
7. **CBP** implications are taken into account at all development stages of new business operations, products, services, and organizational infrastructure projects.
8. **CBP** implications are treated as being an essential part of business changing management process.
9. All third parties that are indispensable to the organization are required to demonstrate that they have effective, proven, and appropriate skills for the CBP process.

The highest level management within **MONSSON OPERATION** shall ensure that the risk and continuous business planning management policy is communicated and available to interested parties and to all employees of the company that have the obligation to be actively involved in the implementation of all commitments undertaken under this policy.

CEO

Ana – Mihaiela Aldea



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