



## LION CAPITAL

# ASSESSMENT OF THE RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEM FOR 2022 /extract/

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According to the Internal Regulations of Lion Capital, the Audit Committee established at the Board level is responsible for monitoring and assessing the effectiveness of internal control systems, internal auditing, and risk management within the Company.

In the exercise of these responsibilities, the Audit Committee analysed and evaluated the activities of internal auditing, internal control, compliance, and risk management within the Company for the year 2022.

The objectives pursued by the Audit Committee for assessing the effectiveness of the risk management and internal control system are as follows:

- Implementation of adequate procedures and mechanisms allowing for the early identification of potential risk situations or non-compliance,
- The risk management and internal control strategy is aligned with the overall business strategy, and the objectives of risk management and internal control are in line with the risk appetite and tolerance level,
- Control is conducted within the departments by qualified personnel,
- The risk management and internal control system contributed to a high degree to the identification and management of risks through action mechanisms,
- Reports submitted to the Audit Committee include relevant and comprehensive information on the main activities carried out.

Lion Capital has implemented a process to monitor any deficiencies or vulnerabilities identified in the investment and operational activities of the company, in terms of the measures taken to timely implement the recommendations made by the key functional departments within the company.

The process of evaluating, monitoring, and reviewing the risk management system is conducted annually, focusing on aspects related to the adequacy and effectiveness of the risk management policy and the measures, processes, and techniques used to assess and manage risks.

The Risk Management, Compliance, and Internal Audit Departments submit periodic reports to the Board of Directors and the Audit Committee, which include relevant and comprehensive information on the main activities carried out.

The risk management and internal control system is considered an effective tool for the integrated management of all categories of risk (strategic, operational, reporting, and compliance). An important aspect of the performance of the risk management system is the effective and efficient mitigation of risks.

The ongoing monitoring of risks, manifested through periodic risk reports, scenario analysis, and prior verification at the time of investments, leads to the conclusion that the risk management system at Lion Capital is effective. The measures adopted for monitoring and controlling identified risk exposures are appropriate and timely, and the recommendations and concerning aspects receive the necessary attention.