



ANTI-CRISIS MANAGEMENT AND BUSINESS CONTINUITY PLAN

FOR OVOSTAR UNION GROUP
OF COMPANIES

As a leading Ukrainian producer of eggs and egg products, Ovostar Union prioritizes business continuity, that is, the ability to continuously fulfill obligations to customers without a loss of quality during emergencies (*crises*) and return to pre-crisis processes as soon as possible with minimal damage.





The Ovostar Union group of companies has a long, successful history of development in the egg industry. Today the company produces 1.6 billion eggs a year, supplying table eggs and egg products to more than 50 countries around the world.

The regions in which the company has business interests include the European Union, the Middle East, Asia and Africa.

The production is certified according to international quality and food safety management systems ISO 9001:2015 and FSSC 22000 v.5 (HACCP) and undergoes regular audits by national and international certification bodies.

Following the principles of sustainable development, Ovostar Union devises predictive methods and techniques for the control, prevention, reduction, transmission and avoidance of risks. The company's risk management policy is aimed at minimizing such risks for itself and all parties in cooperative agreements with Ovostar Union.

Recognizing that no business is immune to emergencies, the company considers it the goal of the Anti-Crisis Management and Business Continuity Plan to document the procedures for overcoming crisis situations quickly and with a minimal impact on employees, society, customers and business.





STAGE 1. PLAN ANALYSIS AND DEVELOPMENT

Risk identification, analysis and assessment are the basis of anti-crisis management.

The process of formulating risk components, tracking the dynamics of trends and forecasting in the medium and long terms is carried out within the company by specialized teams on a regular basis.

Based on the resultant risk data, the company creates or updates appropriate regulations and procedures that (1) allow for the categorization of risks according to their levels of impact on the company's activities and (2) contain rules and principles for responding

if a risk should occur. This approach is fully justified given that the availability of ready-made response plans featuring stages of prescribed actions allows the company to eliminate risks in the shortest time possible while minimizing their impacts on current activities.

In addition, these plans contain predictive actions that significantly reduce the likelihood of risks to occur. For example, the mandatory availability of alternative power sources at all production sites significantly reduces the risk of stoppages due to disruptions in the central power system.

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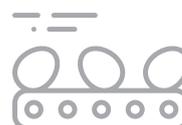
Ovostar Union has identified the following
RISK GROUPS RELATED TO ITS OPERATIONS:



MACROECONOMIC



BIOLOGICAL



PRODUCTION



FINANCIAL



CLIMATIC

MACROECONOMIC RISKS

Recognizing the fact that the company cannot influence changes in macroeconomic indices, the company's strategy in managing these risks is to continuously monitor the key macroeconomic indices of the local market and target export markets.

The company considers the following key macroeconomic risks:

- Political instability
- The impact of international financing instruments on national economies
- Changes in the values of national currencies
- The elimination of preferential taxation for enterprises in the agro-industrial sector

The company's strategy in terms of compensation for the above risks is to:

- Withdraw from any credit financing of operations
- Maintain a positive financial flow
- Attract long-term credit programs exclusively for investment development projects
- Distribute and save funds in bank accounts with national and international financial institutions
- Utilize a variety of export markets to minimize dependence on fluctuations in the national currency

Ovostar Union's continual focus on operational efficiency, as well as the development of its product portfolio, sales geography and position in the national market allows the company to confidently minimize the impact of these risks on its activities.



BIOLOGICAL RISKS

The company associates key biological risks with the long-term industry problem of such migratory diseases as bird flu. All procedures and processes in the company are set up in such a way as to exclude the chances of bird flu infection as much as possible. In addition, the company pays significant attention to the biological safety of the finished product.

Ovostar Union's strategy in minimizing biological risks is based on:

- Systemic investments in a closed, vertically integrated cycle of poultry keeping

from parent stock to the end of the productive period

- Biosafety standards implemented at production sites, which are regularly confirmed by international recertification audits ISO 9001:2015 and FSSC 22000 v.5 (HACCP)

In terms of the unprecedented situation associated with the COVID-19 pandemic, the business operations of Ovostar Union have not been significantly affected.

However, the company has implemented a number of predictive measures to eliminate any operational threats.



PRODUCTION RISKS

Ovostar Union divides the risks of stopping the production process according to the following areas of activity:

- Egg production
- Egg product production

It also highlights general risks that can equally affect product groups and related service functions, such as failures in the IT system or emergency failures in the supply of power, water or gas.

In addition to the classic specific production risks associated, for example, with equipment breakdowns, failures in power supply systems and so on, the company considers and accepts such risks as:

- Incidents (e.g. the collapse of part of a physical structure)
- Unforeseen situations (e.g. fire gas explosions)
- Human error

Ovostar Union excludes the risks associated with the human factor – potential mistakes of incompetence, lack

of qualifications and biological threat – even at the stage of personnel selection and recruitment.

Through the lens of the production process, the company separately identifies a group of risks to be managed through insurance. These include risks associated with natural disasters, unforeseen situations (e.g. fires), car accidents and the damage or destruction of products during transportation.

A centralized procurement system with effective supplier selection rules manages the risks associated with providing production sites with raw materials and other inventory items that ensure the smooth operation of poultry farms, sorting sites and the processing plant. To avoid the risk of supplying low-quality raw materials, goods or services, the company's regulations include certification requirements for the approval of suppliers. Traders are excluded from the supply chain. The company works only with manufacturers of necessary goods and services.

Repair management is carried out using automated monitoring on equipment health, preventive maintenance work and monitoring on the wear and tear of equipment, with timely updating if necessary. Additionally, warehouses for consumables and key spare parts are regularly updated, which reduces equipment downtime without exposing the operational process to additional production risks.



FINANCIAL RISKS

The company defines as financial risks not only the risks associated directly with the conduct of daily operating activities (such as liquidity) but also the risks of competitive market positions associated with significant seasonal price fluctuations, the concentration of sales in one market and the activity of competitors.

To manage this group of risks, Ovostar Union has implemented the following production and management practices:

- Working capital management
- The storage of circulating funds in national and international bank accounts
- The application of a transparent procedure of holding tenders
- The diversification of export countries
- The targeting of different segments of consumer groups

- The exclusion of situations of dependence on orders from one client
- The creation and management of further added value for the product
- Investment in a strong national brand
- Product cost management

The strong position of the national brand YASENSVIT and the consistently high consumption of eggs in the domestic market allow the company to successfully develop international operations, to be the first to introduce new products with high levels of added value to the market and to diversify sales channels.

Ovostar Union invests in the development of its own distribution, builds long-term partnerships with retail and industrial B2B customers, manages representative offices in key export regions (Europe and the Middle East) and also implements various marketing practices to build knowledge about the company and its market offer amongst target audiences.



CLIMATIC RISKS

Climatic risks, as well as macroeconomic ones, cannot be subject to the company's influence. Accordingly, this group of risks is managed through the implementation of predictive practices. A key strategy is to provide poultry houses with systems that regulate and maintain microclimate, regardless of changing weather conditions that can negatively affect poultry welfare.

For situations associated with extreme weather conditions, such as natural disasters, which can become sources of accidents and failures in the operation of infrastructure systems at the poultry farms and enterprises of the group, alternative energy supply lines

have been implemented, backup generators have been installed and supplies of drinking water and fuel are perpetually in place. Alarm and emergency call buttons used to summon service crews have been installed by agreement with service providers.

The company does not exclude the practice of long-term planning, which takes into account the climatic features of the region at the stage of designing new production facilities. All production sites of the Ovostar Union Group of Companies are located in seismically safe areas away from large bodies of water. Also, Ovostar Union's operational territory is not characterized by hurricanes, severe droughts, thunderstorms, precipitation in the form of hail, showers or sudden temperature changes.

PLANNING AND RISK MANAGEMENT

To identify and assess risks on a regular basis, the responsible specialists of Ovostar Union conduct audits on changes in behavior and the potential impact of risks on the company's activities, and, if necessary, propose corrective action plans for any pre-existing procedures and regulations. Any specialist can initiate changes to the company's current regulations based on the identified non-compliance factors.

In addition to internal audits, the company regularly undergoes external audits, which include those aspects of its activities related to production, operation, finance and marketing. Based on the results of external audits, the responsible specialists also

formulate plans for eliminating comments with subsequent implementation and changes in operating activities.

Significant changes in the activities of Ovostar Union are taking place as a result of the automation process, the implementation of a long-term investment program for organic company growth and the initiatives of local employees and project management. As changes are introduced, all existing company regulations are reviewed and adjusted in accordance with new business processes.

Additionally, to eliminate crises associated with changes in external risk factors, the company has established monitoring of the public field based on keywords.



STAGE 2. IMPLEMENTATION

According to the classification and identification of risks by their degree of impact on the business, regulations for both preventing and responding to crisis situations have been developed and implemented in each department.

The basic regulations of the company relate to the following areas of management:

1. Production

- Production process management
- Procurement management
- Finished product quality management
- Regulations for assortment management and new product development
- Regulations and standards for receiving raw materials for the production of compound feed

- Regulations for receiving raw materials for the production of egg products
- Management of transport logistics and product shipment
- Regulations for the implementation of sanitary and hygienic measures
- The briefing and training of production personnel
- Waste management

2. Biological

- Briefing on maintaining poultry health
- Personal hygiene training for employees
- Water purity and safety standards

- Regulations for the admission of external visitors onto the premises

3. Managerial

- Document management
- Data management
- Regulations for conducting external and internal audits
- Computer security policies
- Data management and information security regulations
- Staff flow management regulations
- Sales management policies and standards
- Project management regulations.

4. Crisis management

- Management of potential crisis situations and incidents
- Instructions for assessing potential threats and risk management
- Procedures for handling customer complaints
- Regulations for responding to reputational crises.

System investments in the quality of management at the enterprises of the Ovostar Union Group are confirmed by the certification systems ISO 9001:2015 and FSSC 22000 v.5 (HACCP).

In synergy with internal regulations and procedures, a common approach to management and implemented management standards are guarantees as to the company's fulfillment of its obligations to a wide range of stakeholders, including buyers of finished products, suppliers of raw materials, investors, employees, local communities and other organizations and persons interested in the successful and long-term activities of Ovostar Union.



STAGE 3. TRAINING AND SUPPORT

Acknowledging that the company's employees are a key resource in matters of the quality of business processes, and also realizing that the successful implementation of the risk management strategy depends on the qualifications and level of preparedness of personnel to solve crisis situations, Ovostar Union pays close attention to personnel training.

All training programs can be divided into 4 large groups:

1. Induction programs, which include onboarding programs for newcomers, coaching and mentoring for current employees and additional training programs required during career growth or the industrial rotation of specialists.
2. Emergency prevention programs such as trainings on health and safety, fire safety, personal hygiene and poultry health.

3. Employee development programs, including specialized courses for professionals such as veterinarians, quality experts, lawyers, accountants, financiers, marketers, sales managers, logisticians, human resource managers, etc.
4. Organizational change training programs for top managers, namely in topics such as change management methods and working in project teams, as well as individual trainings in industry and functional programs.

To transfer internal knowledge, the company implements an internal training project with cross-functional employee training, which contributes to the establishment of internal interaction processes and increases the speed and accuracy of responses to crisis situations.

In order to manage production risks, a special department has been formed on the basis of production sites. It is aimed at coordinating the work of specialists in labor protection and technogenic, fire and environmental safety in order to carry out legal, organizational, technical, socio-economic and treatment-and-prophylactic measures aimed at preventing accidents, occupational diseases and any other emergencies in the production processes of all structural divisions of the company.

In addition to managing labor protection and fire, technogenic and environmental safety, the functions of this coordinating body include the control and formation of regulations for sanitary and epidemiological welfare, the prevention of emergencies, the oversight of civil protection issues and the safety of buildings and engineering structures.

As part of their day-to-day responsibilities, the division's employees perform the following key functions in the management of industrial crises:

1. The formation of principles and guidelines for industrial safety

- Study and propose for implementation in production chains
 - The world's best practices and standards for emergency management;
 - Progressive and safe technologies;
 - Modern means for the collective and individual protection of workers;

- Develop measures to ensure technogenic and fire safety, in accordance with the requirements of the current legislation as well as progressive world standards;
- Carry out environmental assessments, as well as technical and economic calculations and substantiations projects related to the expansion, modernization and reconstruction of existing production facilities.
- Carry out research and development work on the treatment of industrial wastewater, the prevention of environmental pollution, the emission of harmful substances into the atmosphere, the reduction or complete elimination of technological waste and the rational use of land and water resources

2. Planning activities for the management of industrial risks

- Assess the risk of emergencies at the enterprise's facilities and take measures to reduce the level of risk;
- Form production material reserves necessary for a timely response and resolution in the event of a crisis situation;
- Develop methodological materials, technological regulations, analytical control schedules, instructions, orders and other technical documentation regulating the issues of industrial emergency management.

3. Implementation of procedures and regulations for industrial risk management

- Introduce safety regulations for production processes and constantly monitor their implementation
- Carry out information and explanatory work and briefing on guidelines and issues related to labor protection
- Train employees on civil protection issues, including the rules of technogenic and fire safety
- Ensure the implementation of measures in the field of civil protection at the company's facilities, including the conduct of on-site drills and exercises on civil protection issues

- Oversee the maintenance of civil and fire protection equipment to ensure it is kept in good condition and not used for other purposes
- Carry out measures to introduce an automatic means of fire detection and suppression, and control the operability of alarm and warning systems
- Initiate and carry out preventive measures aimed at eliminating harmful and dangerous production factors and preventing industrial accidents, occupational diseases and other such threats to the lives and health of employees.

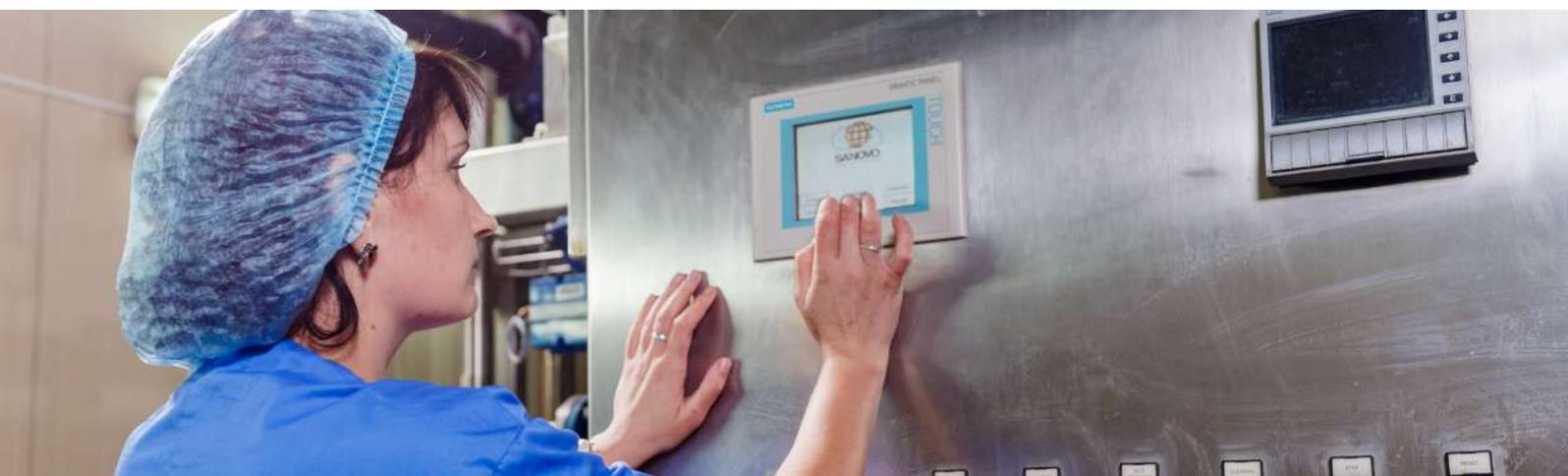
4. Monitoring and control

- Monitor compliance with the requirements of current laws and other regulatory legal acts on labor protection
- Monitor compliance with the technological modes of operation for environmental facilities in the area where production units are located, and analyze and control the compliance of performance indicators with current environmental standards and regulations

- Test the operability and technical functionality of alarm systems
- Oversee the provision of workers with overalls and collective and personal protective equipment, as well as the compliance of sanitary and hygienic conditions with current standards and regulations
- Carry out the certification of workplaces.

As part of the program for preparing employees for action in an emergency, and in accordance with the source of the crisis and the boundaries of production activity, instant response teams have been formed and approved, the participants of which are instructed on the actions that are expected of them in a crisis situation.

In addition to specialists, managers responsible for communication with target groups have been introduced to all working groups. The company identifies the following target groups that need to be informed depending on the type of emergency: personnel, investors and government agencies as well as crisis-affected customers, suppliers and members of the public.



STAGE 4. RESPONSE

Despite significant preventive activities, Ovostar Union recognizes that for an enterprise operating as normal, the risk of a crisis situation can be reduced but not completely eliminated.

The process of responding to a crisis is actually divided into two components:

1. Direct elimination of the cause and consequences of the crisis in order to restore regular operating activities
2. Communication with target groups

For the identified risks, taking into account the location of the production site, working groups have been

formed that manage the response crises until the restoration of the enterprise's normal activities.

Resolving an emergency at the time of its occurrence is the company's chief priority when allocating material, technical, financial and human resources.

If necessary, the working group ensures the close cooperation of all the enterprise's services with representatives from any emergency response services, government agencies, territorial communities and media.

At least two methods of emergency communication have been agreed upon by each member of the group, in case one of these communication channels fails. Crisis notification can be initiated by any member of the crisis response group.

As a public company, Ovostar Union strictly monitors the quality, accuracy and promptness of any effort to inform target interested groups. Key responsible employees have been identified to communicate with

them at the preparation stage. Specialists within the company constantly monitor the media and social media for the spread of any rumors or fake information and promptly act to correct and remove information that does not correspond with reality.

All official messages from the company are published on its corporate website, **www.ovostar.ua**.

The head of the crisis response group reports on the results of the work done and decisions made, as well as any developments in the situation, directly to the General Director of the Ovostar Union Group of Companies.

The safety of employees, the protection of human lives, the elimination of a crisis situation, the minimization of environmental damage, the restoration of control over the production process, the well-being of biological assets, the minimization of long-term consequences due to crises and the fulfillment of obligations to the company's partners are the priority areas of the crisis response group.



STAGE 5. RECOVERY

The post-crisis or recovery period can be conditionally divided into the following components:

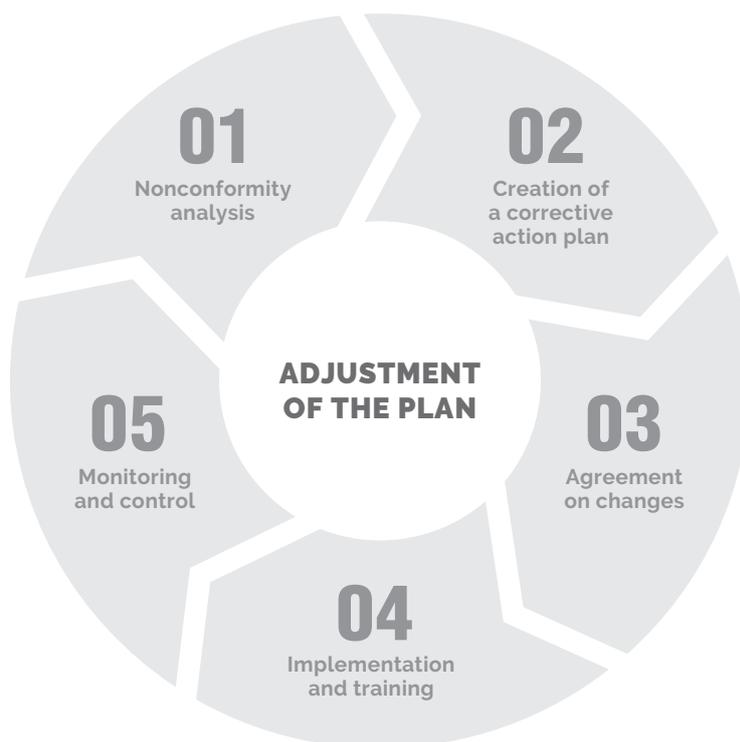
1. Inform target stakeholder groups of the end of the emergency.
2. Conduct short-term measures to restore and, if necessary, recommission facilities, service systems, infrastructure, etc.
3. Implement long-term measures, such as capital construction, renovation, investments in

infrastructure improvements, automation, etc., aimed at complete pre-disaster recovery. This stage also includes the reimbursement of losses to all affected parties and an analysis of how to avoid or mitigate the consequences of the emergency situation in the future.

- 4. Make changes to corrective action plans, developing and implementing new plans that

describe the comprehensive management of potential threats and risks, including changes in regulations, business processes and their further implementation and staff training.

The relevance and list of crisis response team members is reviewed at least once a year, or more often in the event of structural, staffing or any other changes that require a reassessment of the company's risks.



FINAL PROVISIONS

Risk management is an important part of the decision-making process at Ovostar Union, providing reasonable confidence that emergencies will be handled with the least possible loss and without violating obligations to the company's clients.

Ovostar Union recognizes that it is impossible to anticipate and prepare for every emergency.

Consequently, the Anti-Crisis Management and Business Continuity Plan, on the one hand, includes a general approach to anti-crisis management, and on the other, is subject to constant change in terms of its internal regulations, procedures and orders.

This document is designed for the investors, partners, suppliers, employees and other groups of stakeholders of Ovostar Union in order to show what measures the company is taking to ensure smooth operation.

The above regulations and procedures are confidential and are the intellectual property of the company.

The mission of Ovostar Union is to work and improve in order to create environmentally friendly and healthy food for the Ukrainian nation and our international clients.

As such, we care about our ability to always fulfill our obligations to clients without loss of quality, including in emergency situations.