

Risk Management Policy and Framework

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1. Overview

- 1.1. Risk is the chance of something happening that will have an impact on objectives. Risk provides the opportunity (upside) to the organisation as well as the downside.
- 1.2. Risk management is a process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.
- 1.3. Risk is broader than the traditional view of risk assessment, mitigation, monitoring and control. Risk management is about ensuring the culture, policies, processes, and structure are directed towards taking advantage of potential opportunities while managing potential adverse effects.
- 1.4. The Risk Management Policy and Framework is the focal point for any risk management activity throughout Ignite Limited (the "Company").
- 1.5. Risk management coordinates and supports the management effort associated with organisation-wide risks. It is incorporated and integrated within the existing business management framework.
- 1.6. The Risk Management Policy and Framework provides the conditions for an improved decision-making process related to any activity and at any level in the Company.
- 1.7. Applying risk management is equivalent to decision-making based on solid facts and reasoning, including a careful consideration of all risks involved.
- 1.8. The Risk Management Policy and Framework provides for and obliges all the Company employees to adopt a risk management mindset.

2. Scope

- 2.1. This Policy applies to all business units and functions across the Company.

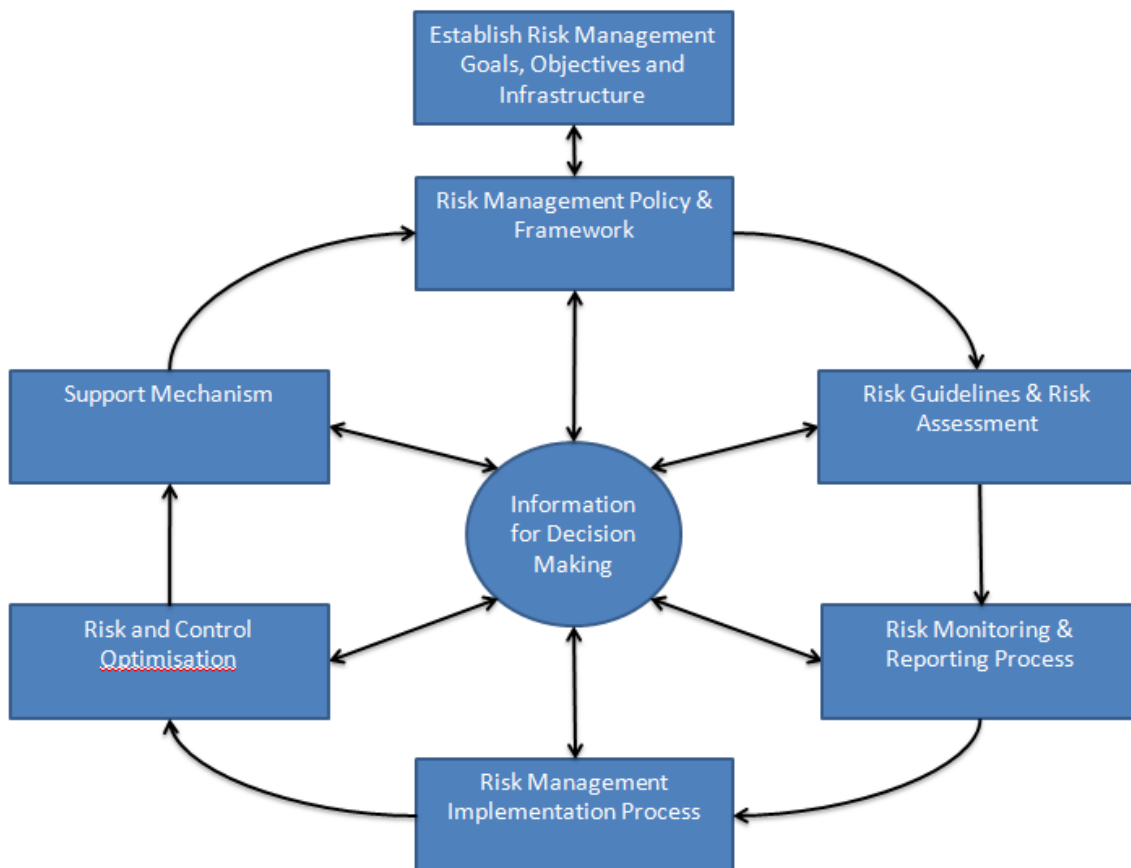
3. Definitions

- 3.1. Risk management is:
 - A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives;
 - Ensuring the culture, policies, processes and structure are directed towards taking advantage of potential opportunities while managing potential adverse effects;
 - Where under the constitution of the Company Limited shareholders have delegated to the Board the authority to direct the Company to achieve objectives and to execute business strategies to increase shareholder value and meet other results orientated targets; and
 - A process that enables the Company management to effectively deal with uncertainty and

associated risk and opportunity, enhancing the capacity to build value.

3.2. Business Risk Management is a continuous process of:

- Establishing risk management objectives, tolerances and limits for all of the business' significant risks;
- Assessing risks within the context of established tolerances;
- Developing cost-effective risk management strategies and processes consistent with the overall goals and objectives;
- Implementing risk management processes;
- Monitoring and reporting upon the performance of risk management processes;
- Improving risk management processes continuously; and
- Ensuring adequate communication and information for decision making.



4. Risk Management Framework Structure

4.1. The Risk Management Framework consists of:

- Risk Management Policy and Framework;
- Risk guidelines;
- Risk Management Implementation Process;
- Annual risk assessment;

- Risk monitoring and reporting process;
- Risk and control optimisation; and
- A support mechanism with corresponding resource, e.g. funding, training and information systems across the Company.

4.2. Risk Management Policy and Framework

4.2.1. This Risk Management Policy and Framework outlines the commitment and the objectives of the Company regarding risk management and integrates risk management accountability with business performance management. It is aligned with the the Company strategic goals, operational environment, and nature of activities and interests of stakeholders.

4.3. Risk Guidelines

4.3.1. Risk guidelines include the Risk Register, Risk Appetite and Risk Tolerance.

4.3.2. Risk Register provides guidance on the current focus of operational risks at group level and business level.

4.3.3. Risk appetite and risk tolerance are the quantitative and qualitative standard for strategic risks and operational risks across the Company. Risk appetite is established by the Board. Risk tolerance is set up with management input and approved by the Board. the Company's aggregated risk tolerance is no more than the Company's risk appetite.

4.3.4. All the above risk guidelines are to be reviewed and updated on a regular basis to ensure that they provide proper guidance assurance to the Company's risk management.

4.4. Risk Management Implementation Process

4.4.1. The Risk Management Implementation Process is a document which demonstrates how risk management will be implemented across all the businesses and functions across the Company.

4.5. Annual Risk Assessment

4.5.1. Risk Assessment is to be performed on an annual basis of all the businesses across the Company. The documented annual risk assessment supports the Board Audit, Risk and Compliance Committee (BARCC) Committee and senior management justification on the risk management group wide.

4.6. Risk Monitoring and Reporting Process

4.6.1. Risks are monitored by management via daily operation, reported to the Risk Committee on a quarterly basis and reported to the BARCC whenever any significant risks arise and are noted. The Risk Committee addresses Board concerns with management and reports the follow up status to the Board until the risk is controlled within the risk tolerance.

4.7. Risk and Control Optimisation

4.7.1. Acknowledging that risks can be positive or negative, optimising risks means finding a balance between negative risk and the benefit of the operation or activity; and between risk reduction and effort applied. This process involves risk strategy, performance evaluation and capital allocation if required. With risk and control optimisation the organisation can provide greater stakeholder confidence and improved risk mitigation strategies.

4.8. Support Mechanism

4.8.1. Adequate resources and trained personnel are committed and provided for the risk management activities, which includes the Board, BARCC, Risk Committee, Management and Risk Owners/Control Owners. Detailed information regarding each function please refer to Part 3 the Company Risk Management Process.

4.9. the Company Risk Management Process

4.9.1. the Company’s risk management delegation flow and information flow is tabled as below.



Risk Management Delegation Flow =

Risk Management Information Flow =

- 4.9.2. Board / BARCC reviews and establishes associated risk appetite on an annual basis and communicates the result with the Risk Committee.
- 4.9.3. The Risk Committee meet each quarter to assess risks, monitor risks, to mitigate control status, and report risks across all the business and functions of the Company. The Risk Committee also assists the business units and functions with measuring risk tolerance quantitatively or qualitatively.
- 4.9.4. On an annual basis the Risk Committee conduct annual risk assessments of all the business units and functions across the Company and report the result to the Board / BARCC and CEO / CFO to justify risk management. The Risk Committee addresses the Board’s concerns with management and report the follow up status to the Board.
- 4.9.5. Management work with the Risk Committee to implement risk management and controls required and provide input on measurable risk tolerance. Management identify the risk owner / control owner if different and communicate daily responsibility to ensure that the risk owner/control owner have a clear picture on their duties and reporting responsibilities.
- 4.9.6. The Risk owner and the control owner are responsible for daily operations with risk management integrated. Any significant risks identified by the risk owner and control owner will be communicated to management immediately and management will report to the Risk Committee and Board / BARCC if required.
- 4.9.7. With the above the Company Risk Management Process all the operational risks are monitored at an acceptable level and all the controls in place optimised to increase stakeholder and shareholder’s confidence. This structured the Company Risk Management

Framework will stimulate continuous improvement and innovative thinking.

5. Roles and Responsibilities of each party in the Risk Management Process

5.1. Board

- 5.1.1. The Board plays a critical role in overseeing how management approaches the Company's organisation-wide risk management. Because management is accountable to the Board of Directors, the Board's focus on effective risk oversight is critical to set the tone and culture towards effective risk management through strategy setting, formulating high-level objectives, and approving broad-based resource allocation.
- 5.1.2. The Board delegate the responsibility of enterprise risk management to the BARCC.
- 5.1.3. Management reports significant exceptions in the monthly Board meeting, if any. The chair of the Risk Committee attends the Board Meeting if required.

5.2. Board Audit Risk and Compliance Committee (BARCC)

- 5.2.1. The BARCC oversees the Company's risk management at group level and delegates the daily operation and monitoring of risk management to the Risk Committee.
- 5.2.2. The BARCC report the significant risks identified to the Board, if any.

5.3. Risk Committee

- 5.3.1. The Risk Committee has the responsibility to set up and maintain the risk management system. The Risk Committee reports and reviews the risk management system's performance. The Risk Committee define and document the status, responsibilities, authority, and interrelationships of the risk management personnel.
- 5.3.2. The Risk Committee comprises the Chief Executive Officer, Chief Financial Officer, and Executive General Managers from the business units across the Company, Shared Service Managers, Legal Advisor, and Compliance Manager.
- 5.3.3. The Risk Committee communicate and monitor the risk management of each business unit with input from executive general managers who attend the Risk Committee meeting.
- 5.3.4. Any significant risks identified in the Risk Committee meeting are addressed to the BARCC and Board in a timely manner, either in the monthly Board Meeting or via separate communication.
- 5.3.5. The Risk Committee meeting is chaired by the CEO or the CFO or a delegate such as the Legal Adviser on a quarterly basis.
- 5.3.6. It is the view of the Board that preparation and participation by all members of the committee is regarded as very important in the process of managing risk across the Company.
- 5.3.7. Shared service managers attendance at the meeting depends on the topics to be discussed.
- 5.3.8. Meeting minutes are circulated after the meeting and execution of action plans are monitored and communicated by the Chair of the Risk Committee.

5.4. Management

- 5.4.1. Management has the responsibility to ensure that:
 - Risk owners are identified for all the risks on the Risk Register;
 - Control owners are identified to ensure mitigating controls are in place;
 - Risk owners and control owners have a clear understanding on their responsibility, risks to be addressed and mitigating controls to be implemented; and

- Risk owners and control owners have a clear picture on the reporting process if any significant risks are identified or any risks are changed with the change of any business/information system.

5.5. Risk Owner / Control Owner:

- 5.5.1. Risk owners and control owners form the base of the Company's Risk Management Framework. Risk owners are responsible for the risks and accountable for the controls required. That is, risk owners have the responsibility to address the risks that they are responsible for, to implement the mitigating controls that are agreed with management and the Risk Committee monitor risk management via daily operation, reporting exceptions to the management, if any.
- 5.5.2. Risk owners need to report to management any business process changes or business/finance system changes. Control owners have the responsibility to perform control actions to mitigate or eliminate the risks identified.
- 5.5.3. At the end of the year, risk owners are responsible for helping management complete the annual risk assessment.

6. Review

- 6.1.1. This Policy and Framework is approved by the CEO prior to adoption by Board.
- 6.1.2. After adoption, this document is reviewed and updated by the Risk Committee and approved by the CEO/CFO on a regular basis to ensure accuracy prior to presenting the BARCC for approval.