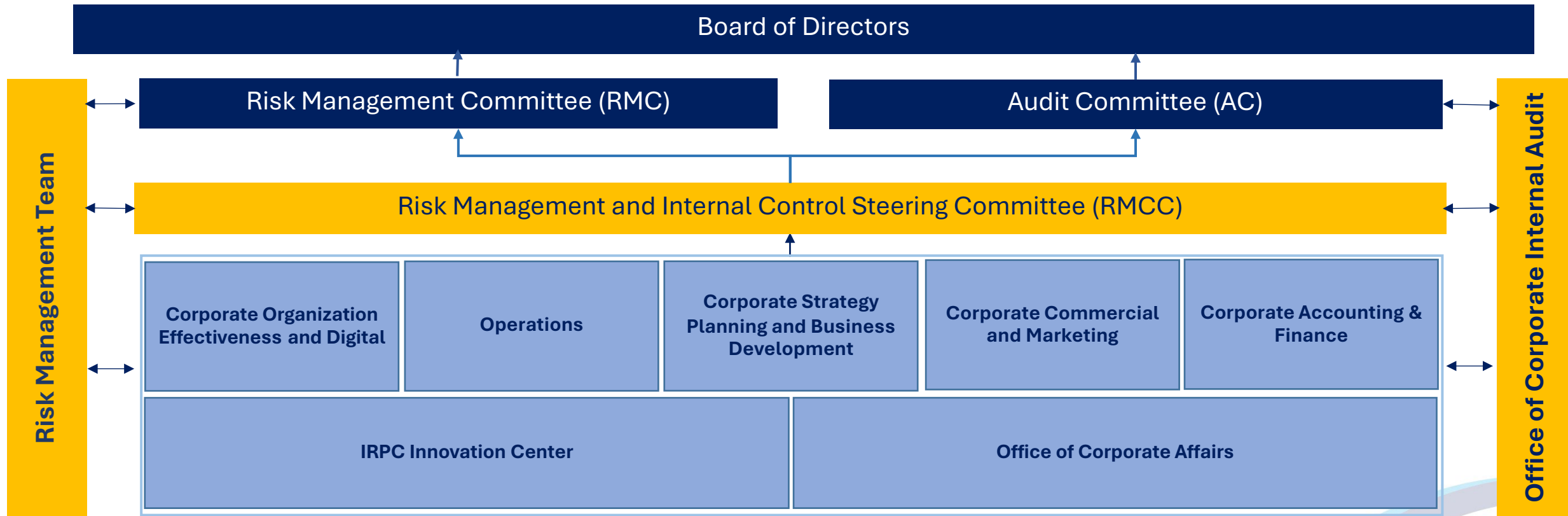


Risk Management Governance and Process

IRPC Public Company Limited

Risk Management Governance Structure



Risk Management Process

- Establishing the context
- Risk Identification
- Risk analysis
- Risk evaluation
- Risk treatment
- Communication and consultation
- Monitoring and Review

Role of Risk Management and Audit Committee

The Board of directors, through the Audit and Risk management Committee, review quarterly the effectiveness of the risk management and internal control systems of the Company and its Subsidiaries, such review consider:

- The significant changes and company's ability to respond to change;
- Monitoring of risk management , internal control system and internal audit function ;
- The communication of the monitoring results to Board of directors by quarterly that enables it to assess control of the Company and its Subsidiaries and the effectiveness of risk management



Risk Management Structure of IRPC

IRPC risk management system is comprehensive and effectively implemented throughout the organization. IRPC has established and defined clearly a risk management structure with roles and responsibilities to ensure that IRPC has an internal risk control process that complies with existing regulations and effectively covers risk governance, emerging risks, and risk culture (including incentives for risk management and risk training). The roles of responsibilities of the entire parties are shown below:

- **Board of Directors** is responsible for setting strategic directions in risk management and ensure risk management is implemented effectively by reviewing the risk management and internal control system of the company and subsidiaries on a quarterly basis.
- **Risk Management Committee (RMC)** is responsible for defining the risk management policy, risk management plan, and risk management procedure for the entire company in compliance with corporate and strategic plans that are set by the Board of directors. In addition, the RMC is responsible for reporting on the operational status of the risk management system to the Board of directors on a regular basis. In which, the chairman of RMC is the highest-ranking person dedicated risk management person with direct operational level.
- **Risk Management and Internal Control Steering Committee (RMCC)** is responsible for monitoring and ensuring greater efficiency in its overall risk management and internal control system.
- **Risk Management Team** is responsible for coordinating and implementing risk management processes across the organization which include providing advice and guidance on various types of risk (including emerging risks) and supporting effective risk culture by empowering employees through incentives and training.

IRPC's Risk Audit and Monitoring

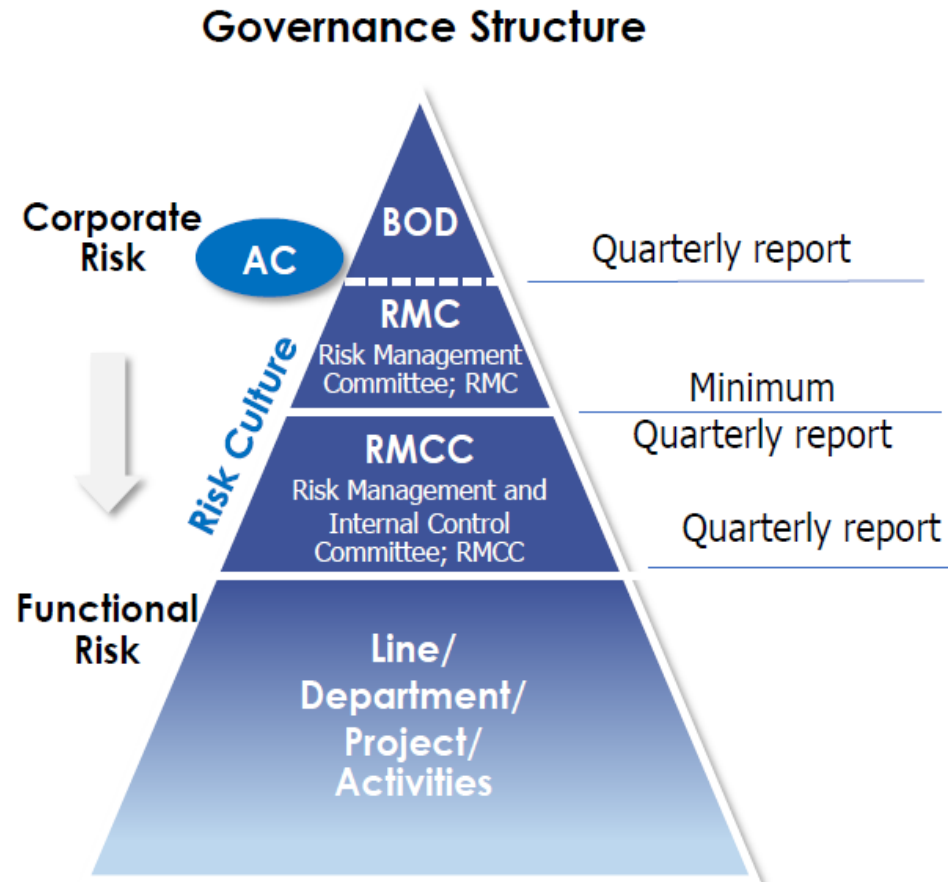
IRPC aims to ensure that the company's risk management is executed in line with a risk management business plan to prevent or mitigate potential impacts on businesses to manageable levels. IRPC has assigned roles and responsibilities to the Audit Committee and Office of Corporate Internal Audit to monitor and review risk management as part of the company's internal audit system. The roles of responsibilities of the entire parties are shown below:

- **Audit Committee** is responsible for overseeing and monitoring risk management by means of independent reviews through receiving reports on or finding on risk management from the Office of Corporate Internal Audit, to ensure that risk management is implemented according to the policy and effectively throughout the organization.
- **Office of Corporate Internal Audit** is responsible for conducting independent audits and monitoring the effectiveness of the internal control system including risk management on an operational level. IRPC's senior vice president officiates as IRPC's office of Corporate Internal Audit, is the highest-ranking person who is responsible for monitoring and auditing risk management on an operational level.

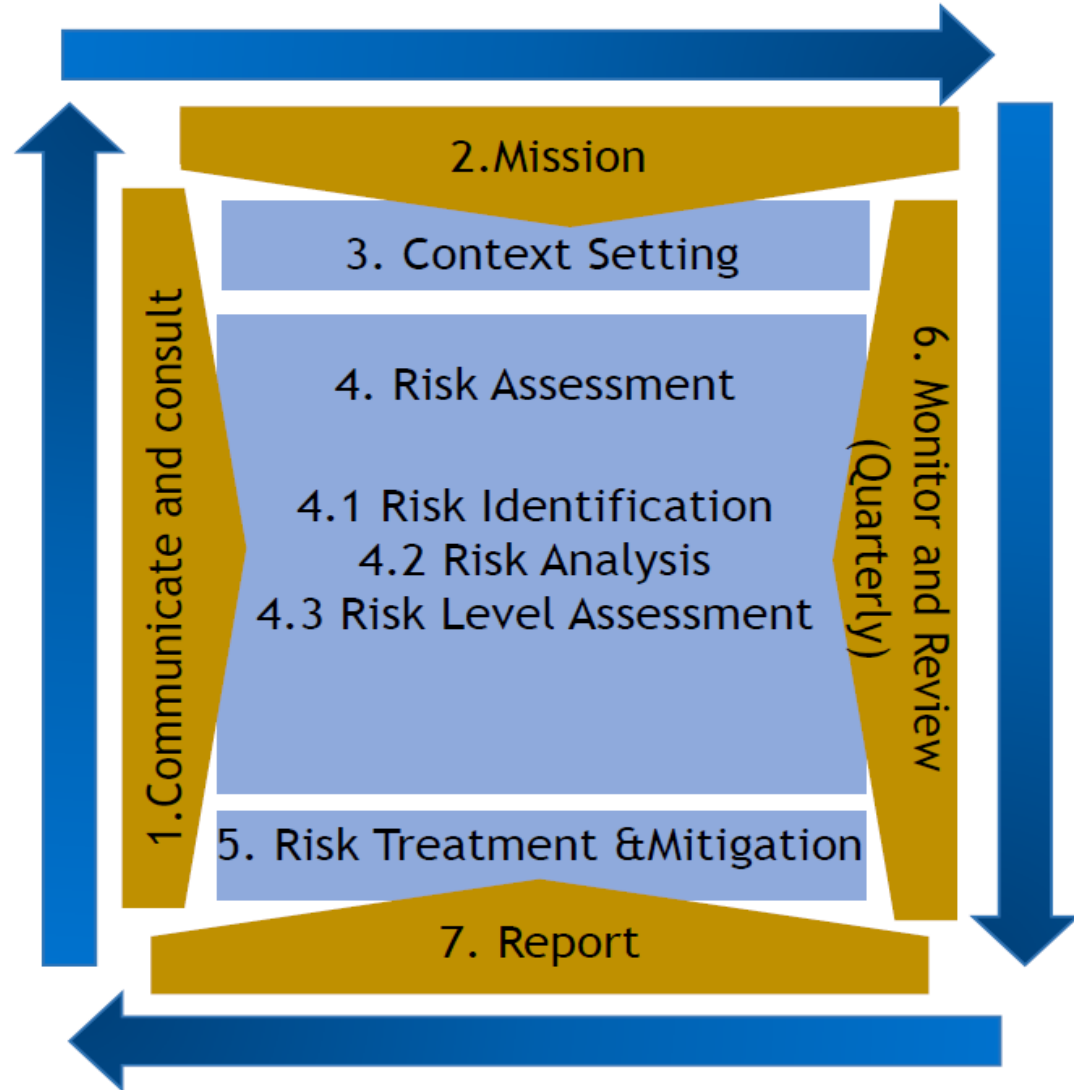




Risk Governance Structure



Risk Management Process



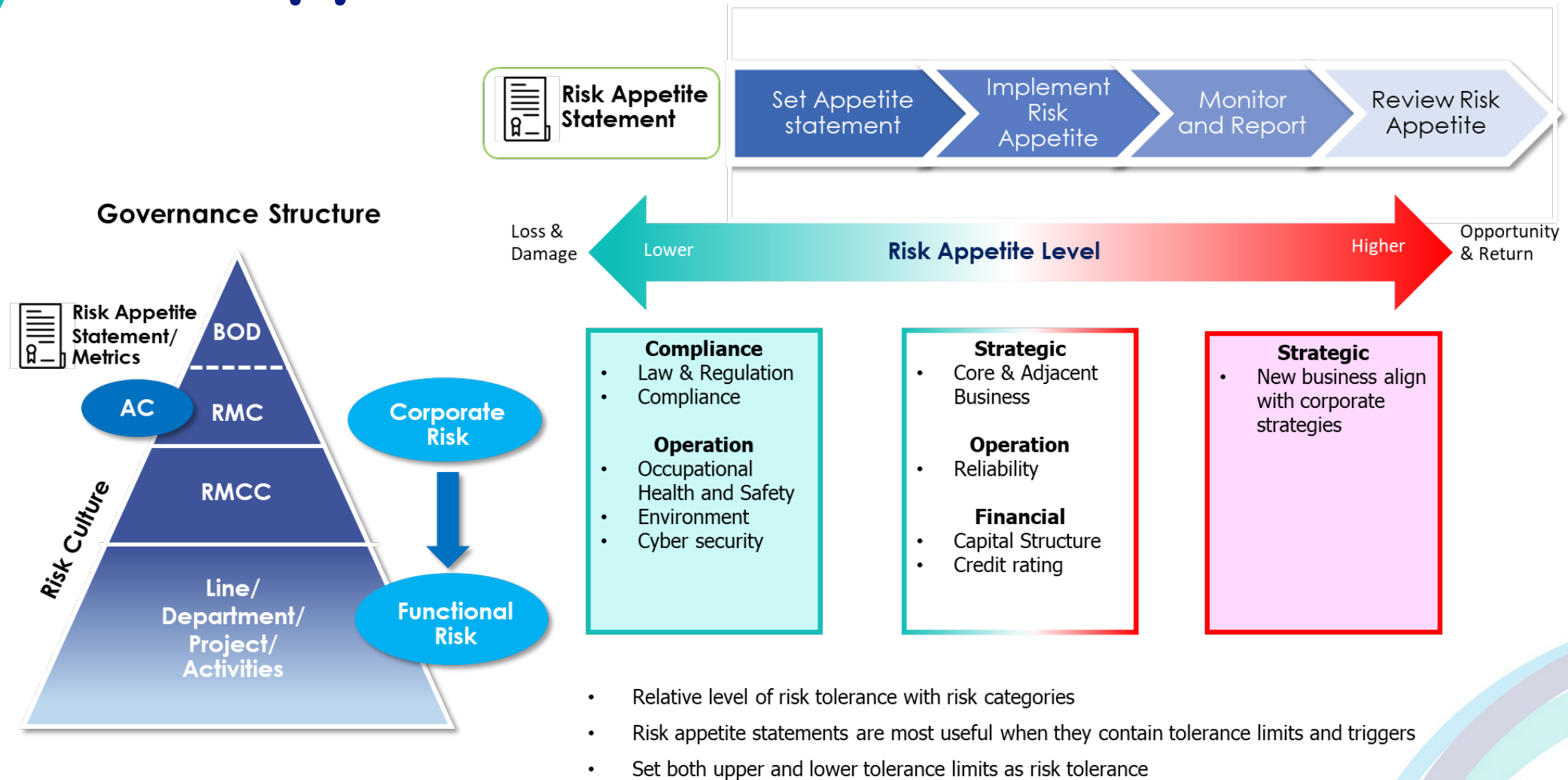
Risk Management

The risk management process on yearly basis consist of 7 steps as follows;

- 1.) Risk Communication and Consult
- 2) Mission
- 3) Context
- 4) Risk Assessment
- 5) Risk Treatment and Mitigation
- 6) Monitoring and Review
- 7) Report

IRPC would determine the responsible party to conduct risk assessment and mitigation plans in a appropriate manners as well as monitor and review the results at all levels of each functions, subsidiaries, business units and corporate levels.

Risk Appetite Process





Risk Appetite Statement

The company places great importance on managing risks across the organization to ensure that the organization can operate and achieve its objectives according to its vision, strategies, and goals, even under uncertainty and to drive sustainable growth. By considering expectations and building confidence for stakeholders, the company has set a **Risk Appetite** as a framework for making business decisions, and will monitor and manage risks continuously as follows:

| | |
|------------|--|
| Strategy | The company considers the risks of current business operations and investments as well as opportunities to create added value from new business operations to achieve sustainable growth, especially for projects related to innovation and new opportunities for future growth that align with the company's vision and strategic direction and can accept higher risks than current operations. |
| Operation | The company does not accept risks that may affect life, safety, and occupational health of employees, personnel, or stakeholders, and continuously monitors the work environment, including ensuring cybersecurity. The company emphasizes operational reliability to ensure business operations continue effectively and efficiently without disruption or negative impact on organizational performance. |
| Financial | The company operates its business by adhering to financial discipline and ensuring adequate returns to stakeholders. The company manages financial risks arising from fluctuations and uncertainties to maintain financial stability, such as maintaining and preserving credit ratings. |
| Compliance | The company is committed to conducting business with honesty, transparency, and ethics, and operates in accordance with good corporate governance principles, strictly complying with policies, laws, rules, and regulations. |

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Risk Culture

