



**Announcement No. 007/2020**  
Enterprise Risk Management Policy

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Tipco Asphalt Public Company Limited and its subsidiaries (“**the Group**”) are committed to enterprise risk management (ERM) practice by institutionalizing a formal process to identify, assess, monitor, and manage risk exposures that may impact implementation of corporate strategies and business conducts with an acceptable risk appetite. The Group embraces the process of organization-wide risk management as an integral part of the organizational culture in order to minimize the probability and impact of risks and mitigate potential loss that may incur, while capitalizing on new potential business opportunities and creating sustainable values.

In observance of the above policy, the Group herewith sets the following guidelines:

**Enterprise Risk Management Framework**

The Group has instated an enterprise risk management system and process in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) standard. This risk management framework shall be applied to the Group’s business goals as well as to all employees across the organization.

**Roles and Responsibilities**

1. Board of Directors is responsible for approving ERM policy and overseeing effectiveness of risk management in line with the Group’s corporate strategy direction and business conducts.
2. Executive Committee is responsible for reviewing corporate risks as reported by Risk Management Committee (RMC) prior to submission to the Board of Directors.
3. Risk Management Committee (RMC) shall govern enterprise risk management practice of the Group and its subsidiaries, in accordance with the Group policies. RMC also provides advice and evaluates effectiveness of the Group’s risk management practice.
4. Group Executives shall ensure that risk management is upheld and enforced across the Group. They also shall analyze potential risks with impacts to the Group while managing such risks within their accountability and full



compliance with related policies of the Group, or those prescribed by the Risk Management Committee to achieve the Group's objectives.

5. Risk Management Office (RMO) is responsible for facilitating risk management exercise implementation across the Group and for reporting risk management performances to the RMC on a regular basis. RMO also ensures information about risk management practice and results is properly communicated to the organization and related stakeholders.
6. Risk Champion leads individual risk management for each business unit within the Group and is responsible for updating their business unit risk registers to RMO.
7. Risk Officer is responsible for monitoring and updating day-to-day management activities pertaining to risks while supporting Risk Champion for effective implementation of ERM policy.
8. Internal Audit is responsible for performing audits to assess effectiveness and adequacy of risk mitigation actions/controls across the Group and reports the results to Audit Committee for acknowledgement.
9. All employees shall comply and adhere to the Group's risk management practice at both corporate and operational levels as stipulated by the Group, the Risk Management Committee, the Management, or the Risk Management Office.

For further full details of enterprise risk management process, risk register, and other criteria, please refer to the Group's Enterprise Risk Management Guideline Manual.

Therefore, the policy is effective on 17<sup>th</sup> August 2020.

A handwritten signature in blue ink, appearing to read "Chainoi Puankosoom".

(Mr. Chainoi Puankosoom)

Chairman of the Board of Directors