

## **GROUP RISK MANAGEMENT POLICY**

### **1. OBJECTIVE**

To put in place an effective risk management processes, including appropriate procedures that help identify, monitor and control risk exposures to our business strategies and objectives.

### **2. RISK DEFINITION**

- 1) A potential future event that might occur and may influence the achievement of business objectives.
- 2) That includes also the risk of missing a Business Opportunity.
- 3) Determined by impact and likelihood of the event

### **3. RISK CATEGORY**

#### 1) Strategic Risk

The risk that can arise as a result of ineffective or inadequate business strategy decisions in relation to competitors, the market and consumers including the risk of inefficient and/ or ineffective allocation of capital resource as part of strategy.

#### 2) Financial Risk

The risk that a company will not have adequate cash flow to meet financial obligations which may arise from exchange rate, interest rate or liquidity.

#### 3) Compliance Risk

The risk of a breach or violations to contract with Business Partners or applicable laws and regulations

#### 4) Operational Risk

The risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events e.g. natural disasters.

### **4. ROLES AND RESPONSIBILITIES**

- 1) The Board of Director has responsibility for creating and oversight the environment structures for risk management to operate effectively.
- 2) The Audit Committee helps the Board of Director in reviewing adequacy of overall risk management process and providing advice to management on risk management.
- 3) The Steering Committee has responsibility for reviewing overall implementation of risk management across the group to assure that key risks are identified effectively managed.
- 4) Business Units is a risk owner and has primary responsibility to promoting risk awareness within their operations and effectively managing risks on a day to- day basis
- 5) Risk Management Function is responsible for proposing and updating risk management policy, building risk awareness culture within the organization, including appropriate education, establishing internal risk policy and structures for business units, designing, reviewing and advise processes for risk management within the organization and preparing risk reports to The Risk Steering Committee and The Audit Committee.

# MINOR

- 6) Internal Audit has responsibility in steering internal audit works towards key risks as identified by management, performs auditing to assess effectiveness of risk mitigation actions across the group, and report the result to senior management and The Audit Committee for improvement opportunity.

## 5. RISK MANAGEMENT PROCEDURE

The Minor Group recognizes that managing risk effectively is critical to achieving business objectives. Every Business and Function should review their business environment, state clear business objectives and:

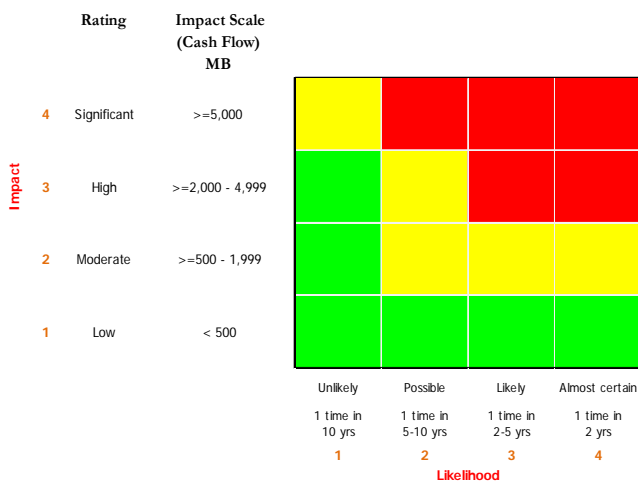
- Identify risks to the achievement of those objectives
- Assess the impact and likelihood of the risks materializing
- Implement effective actions designed to:
  - achieve business objectives
  - safeguard company assets from inappropriate use, loss or fraud;
  - facilitate economic, effective, efficient of operations
  - and enable compliance with company policies, procedures and related laws and regulations

Every Business and Function should also monitor, communicate and report changes in the risk environment and the effectiveness of actions taken to manage identified risks on a quarterly basis to its senior management.

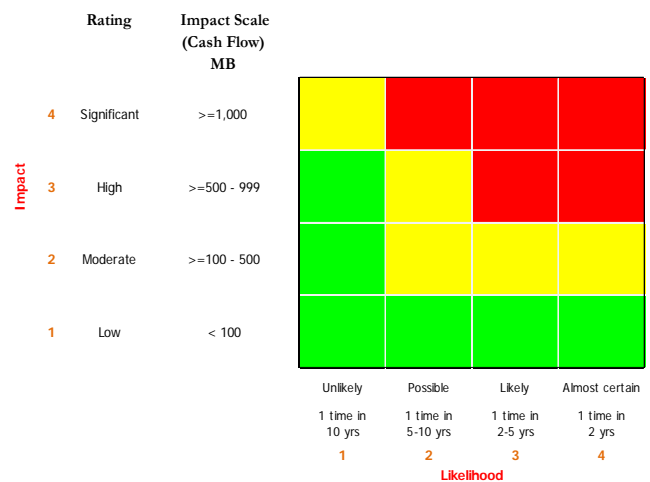
## 6. RISK MEASUREMENT

The Group recommends the following standard Risk Matrix to aid management in this process.

### Hotel and Food Group



### Retail Group and Corporate Functions



Tolerance	Management and monitoring requirements
Red	Potential outside Group Tolerance Immediate report and manage by BU within 3 months. Risk Management to monitor the progress.
Yellow	Potential outside BU Tolerance Quarterly report and manage by BU within 6 months. Risk Management to monitor the progress.
Green	Within BU tolerance Monitoring by BU on quarterly basis

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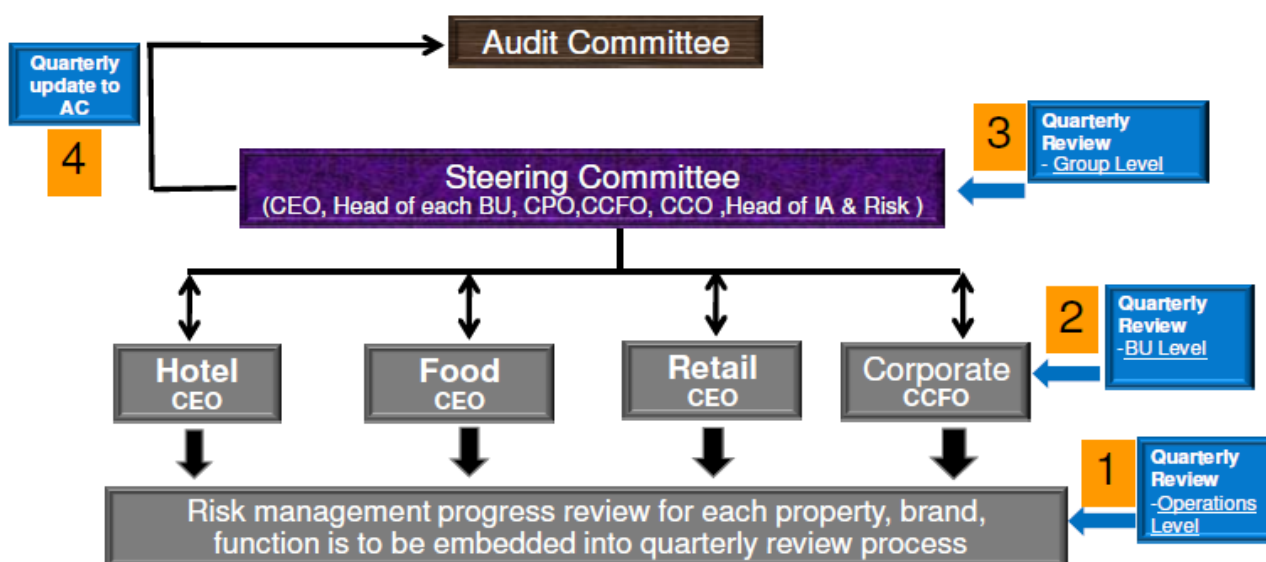
## 7. RESPOND TO RISKS

Three generic actions can be taken to manage risks:

- 1) Accept and control the risk: Accept the risk and put in place appropriate controls (preventative and detective) to manage the risk to maximize value.
- 2) Transfer and/or share risk: Some risks are transferred (for example to an insurance company) or shared (for example with contractors or joint venture partners).
- 3) Terminate or forego activity: Risks are avoided, for instance by stopping an activity or withdrawing from a country or market. Some risks are terminated in part through sale or divestment. However, it is important to establish whether all of the risk will be terminated or whether some will remain with the business.

## 8. RISK'S GOVERNANCE STRUCTURE & REPORTING

### Governance Structure of Risk Management



**Note :**

1. Head of Finance of each BU should be focal point for risk management review and monitoring process
2. Risk mgt team is required to attend all risk reviews. Minute of the review at all level is to be recorded and retained.