

Risk Management Policy

Pro Inside Public Company Limited

Pro Inside Public Company Limited Risk Management Policy

Introduction

Pro Inside Public Company Limited ("the Company") realizes that risk management is a part of good corporate governance, which is an important foundation for achieving the Company's objectives. Identifying and managing risks will help the Company make better decisions and help identify the possibility of significant risks and determine mitigation measures for possible events.

Risk means the possibility of an event that may occur, which will affect the Company's business operations and prevent the Company from achieving its objectives.

Objectives

The Risk Management Policy ("this Policy") has the following objectives:

1. To establish a consistent framework and risk management process for the Company to be implemented throughout the organization.
2. To define the responsibilities for controlling and managing the risks identified appropriately.

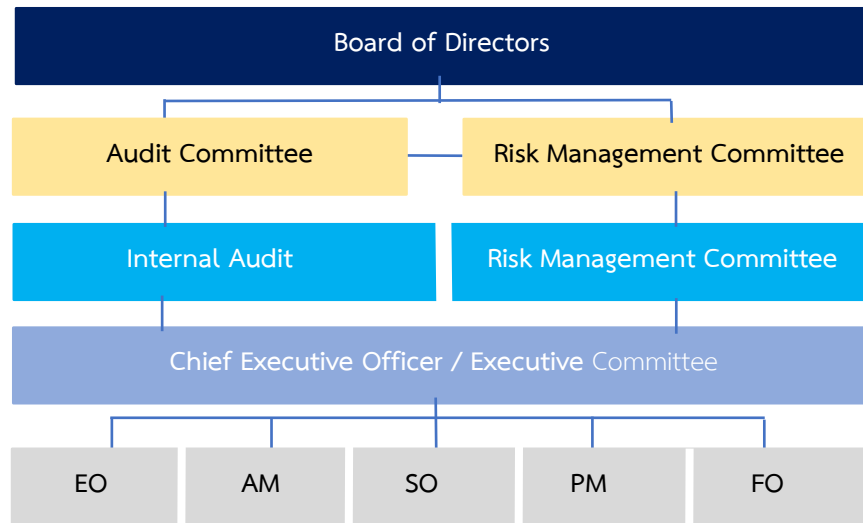
Scope

This Policy shall apply to all processes of the Company's operations, including all executives and employees.

Risk Management Policy

1. The Company operates under acceptable risks in order to achieve the Company's objectives and meet the expectations of stakeholders. Risk management is defined as part of the preparation of the annual business plan, daily management and decision-making, and the management process of various projects.
2. All executives and employees of the Company are risk owners who are responsible for identifying and assessing risks of the units under their responsibility, as well as determining appropriate measures to manage such risks.
3. All risks that affect the achievement of the Company's objectives must be handled as follows:
 - 3.1 Identify risks in a timely manner.
 - 3.2 Assess the likelihood of risk occurrence and the impact if such an event occurs.
 - 3.3 Manage risks in accordance with the specified risk management guidelines (as per Attachment 1), taking into account the related costs and benefits to be gained from managing such risks.
 - 3.4 Monitor and ensure that the Company's risks are managed appropriately.
4. All risks that may affect the Company's business plan and strategies, which are at high and very high risk levels, must be reported to the Audit Committee and the Board of Directors.

Scope of risk management structure



Responsibilities

1. The Board of Directors has overall responsibility for overseeing the Company's internal risk management.
2. The Risk Management Committee and the Audit Committee support the Board of Directors in performing their risk management duties by reviewing and ensuring that the risk management system is appropriate and effective.
3. The Chief Executive Officer is responsible for implementing this Policy and overseeing its continued compliance through the Risk Committee, which is comprised of executives from the Company's core units, chaired by the Chief Executive Officer.
4. The Risk Committee has the following duties and responsibilities as follows:
 - 4.1 Prepare risk management policies, strategies and risk management criteria for consideration by the Risk Management Committee, and the Risk Management Committee presents to the Board of Directors for consideration and approval.
 - 4.2 Review risks and risk management guidelines of the Company as assessed by the risk owner unit, and provide recommendations for improvement.
 - 4.3 Consider the assessment report on the possibility of corruption, including its impact, covering various forms of corruption.
 - 4.4 Supervise the effectiveness of the Company's risk management process by continuously monitoring and reviewing it to ensure it is consistent with business strategies and goals, including changing circumstances.
 - 4.5 Report risks with high and very high risk levels to the CEO, Risk Management Committee, Audit Committee and Board of Directors.
 - 4.6 Review this policy and risk management guidelines regularly, at least once a year, to ensure that the Company's risk management policies and guidelines are consistent with and appropriate for the Company's business operations.

5. The Internal Audit Department is responsible for reviewing the effectiveness of internal controls through annual internal audits, which are audits of key business processes based on risk factors, as well as monitoring improvements to correct any deficiencies found.
6. The Chairman of the Risk Management Committee is responsible for reporting the results of the organization's risk management to Audit Committee and Board of Directors in relation to the activities of the Risk Management Committee and preparing the Risk Management Committee's report for disclosure in the annual report (Form 56-1 One Report)
7. All executives and employees are responsible for identifying, analyzing, evaluating and prioritizing risks of the units for which they are responsible, including determining appropriate measures for risk management.

Risk Management Process

The Company's risk management process at each step can be viewed in Appendix 2.

Policy Review

Board of Directors may recommend improvements to the policy when appropriate, and Risk Management Committee must review this policy annually and submit it for Audit Committee's review and Board of Directors' consideration and approval if there are any changes.

Approved by the Board of Directors Meeting No. 3/2024

On February 27, 2024

Risk Management Guidelines

Risk Identification Framework and Guidelines

The Risk Management Committee must identify various risk factors that affect the following areas:

- **Strategy** refers to the impact on the company's business or investment goals, such as profit, revenue, cost, expenses, or depreciation of investments, etc.
- **Operation** refers to the impact on the company's ability to operate normally, including human resource management, work processes, and technology, such as the network system being damaged and unable to provide normal services, the office location being damaged, the computer system and/or communication system being unusable, etc.
- **Finance** refers to the impact on the company's financial status, including the ability to pay debts, the company's capital structure and liquidity in terms of managing the company's cash flow to prevent the possibility of business disruptions, such as the risk of sources of funds and loans, including the company's income and expenses, etc.
- **Reputation** refers to the impact on the overall image of the organization, such as poor corporate governance, lack of transparency, illegal actions, taking advantage of various stakeholders, etc.
- **Legal** refers to the risk that various agencies must comply with laws and regulations binding the organization, such as the risk of breach of contract, risk of lack of regulatory reporting, or failure to comply with laws, regulations, and rules.

Severity of Risk Impact and Risk Likelihood

The Risk Management Committee shall determine the appropriate assessment guidelines for the severity of the impact of the risk (Measures of Consequence or Impact) and the likelihood of the risk occurring (Likelihood). In considering the impact of the risk, various factors shall be considered according to the impact table and the risk likelihood table as follows:

1. Risk Impact

Score	Impact Level	Impact on Business/Project Success
5	Catastrophic	Worst threat to business/project success
4	Critical	Major impact / substantial financial loss requiring immediate corrective action
3	Major	Major impact/financial loss requiring corrective action
2	Minor	Minor impact
1	Insignificant	Minor impact (insignificant)

2. Risk Likelihood

Score	Impact Level	Impact on Business/Project Success
5	Almost certain	Has happened before
4	Likely	Could easily happen
3	Possible	Could happen or has happened before
2	Unlikely	Has never happened but can happen
1	Rare	Could happen but only in extreme situations

Risk Response to Residual Risk

1. Risk Mapping

Likelihood	5	M	H	E	E	E
	4	M	M	H	H	E
	3	L	M	M	H	E
	2	L	L	M	M	H
	1	L	L	L	M	M
		1	2	3	4	5
		Impact				

Acceptable Risk Level

2. Risk response measures

รหัส	ระดับความเสี่ยง	มาตรการตอบสนองต่อความเสี่ยง
E	Very high	Create a Treatment Plan to avoid or reduce the impact. Implement the plan and follow up daily.
H	High	Set a Treatment Plan. Implement the plan and follow up within 7 days.
M	Medium	Set a process revision and follow up.
L	Low	Monitor risks from normal performance.

3. Methods for responding to individual risks

- **Treat the risk** Refers to reducing the chance of occurrence, reducing the impact, or reducing both to an acceptable level by providing various control systems.
- **Transfer the risk** Refers to reducing the chance of an event occurring or reducing its impact, or reducing both, by finding a partner to share the risk, such as by taking out various insurance policies.
- **Accept / Tolerate the risk** Refers to accepting the risk because the risk is at an acceptable level, while still having to monitor the level of opportunity and impact that occurs to ensure that the risk is still at an acceptable level. But if the level of risk increases, it must be considered to select appropriate risk management measures.
- **Avoid the risk** Refers to avoiding or stopping actions that create risks, such as providing services or performing tasks in areas that are not your expertise. You may avoid or stop working in that area and may use Outsource instead.

