

Risk Management Policy

Pro Inside Public Company Limited

Introduction

Pro Inside Public Company Limited (the "Company") recognizes that risk management is part of good corporate governance, which is an important foundation that helps the Company achieve its objectives. Identifying and managing risk helps support better decision-making by the Company, and helps the Company see opportunities where material risks may arise, as well as establish approaches for mitigating the impact of events that may occur.

Risk means the likelihood of a potential event that would affect the Company's business operations, such that the Company is unable to achieve its stated objectives.

Objectives

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

1. To establish a consistent operating framework and risk management process for the Company, for implementation throughout the organization.
2. To establish duties and responsibilities for appropriately controlling and managing identified risks.

Scope

This Policy applies to every operating process of the Company, including all of the Company's management and employees.

Risk Management Policy

1. The Company conducts business within an acceptable level of risk, in order to achieve the Company's objectives and respond to stakeholders' expectations, by making risk management part of the preparation of the annual business plan, daily management and decision-making, and various project management processes.
2. All of the Company's management and employees are risk owners, with the duty and responsibility to identify and assess the risks of the unit for which they are responsible, and to establish appropriate measures to manage such risks.
3. Risks affecting the achievement of any of the Company's objectives must be managed as follows:
 - 1.1 Identify risks in a timely manner.
 - 1.2 Assess the likelihood of the risk occurring and the impact should such an event occur.

- 1.3 Manage risk consistently with the risk management guidelines established (as set out in Attachment 1), taking into account the relevant costs and benefits to be gained from managing such risk.
- 1.4 Monitor and oversee, to give confidence that the Company's risks are being managed appropriately.
1. Risks that may affect the Company's business plan and strategy, and that are at a high or very high level, must all be reported for the Audit Committee and the Board of Directors to be informed.

Scope of the Risk Management Structure

Board of Directors				
Audit Committee			Risk Management Committee	
Internal Audit Function			Risk Committee	
Chief Executive Officer / Executive Committee				
EO	AM	SO	PM	FO

Duties and Responsibilities

1. The Board of Directors has overall duty and responsibility for overseeing risk management within the Company.
2. The Risk Management Committee and the Audit Committee support the Board of Directors in performing its risk management duties, by reviewing to give confidence that the risk management system is appropriate and effective.
3. The Chief Executive Officer has the duty and responsibility for implementing this Policy, and for overseeing its continuous implementation through the Risk Committee, which comprises executives from the Company's main units, chaired by the Chief Executive Officer.
4. The Risk Committee has the duty and responsibility for the following matters:
 - 1.1 Prepare the risk management policy, strategy, and criteria for risk management, and propose them to the Risk Management Committee for consideration; the Risk Management Committee then proposes them to the Board of Directors for consideration and approval.
 - 1.2 Review risk and the Company's risk management approach as assessed by the relevant risk-owning units, and provide recommendations for improvement.
 - 1.3 Consider reports on the assessment of fraud likelihood, including impact, covering fraud in its various forms.

- 1.4 Oversee the effectiveness of the Company's risk management process, by continuously monitoring and reviewing it for consistency with the strategy and business goals, as well as changing circumstances.
 - 1.5 Report risks at a high or very high level to the Chief Executive Officer, the Risk Management Committee, the Audit Committee, and the Board of Directors on a regular basis.
 - 1.6 Review this Policy and the risk management guidelines regularly, at least once a year, to give confidence that the Company's risk management policy and guidelines remain consistent and appropriate for the Company's business conditions.
1. The Internal Audit function has the duty and responsibility for reviewing the effectiveness of internal controls through the annual internal audit, which examines material business processes according to risk factors, and tracks the correction of identified deficiencies.
 2. The Chairman of the Risk Management Committee has the duty and responsibility for reporting the organization's risk management performance to the Audit Committee and the Board of Directors, in respect of matters relating to the Risk Management Committee's activities, and for preparing the Risk Management Committee's report for disclosure in the annual report (Form 56-1 One Report).
 3. All management and employees have the duty and responsibility to identify, analyse, assess, and prioritize the risks of the unit for which they are responsible, including establishing appropriate measures for managing risk.

Risk Management Process

The Company's risk management process, at each step, can be found in Attachment 2.

Policy Review

The Board of Directors may recommend amendments to this Policy where it considers appropriate, and the Risk Management Committee must review this Policy annually and propose it to the Audit Committee for review, and to the Board of Directors for approval, if there are any changes.

Mr. Wisudhi Srisuphan

Chairman of the Board

RISK MANAGEMENT GUIDELINES

Framework and Guidelines for Identifying Risk Factors (Risk Identification)

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

- **Strategic risk** means the impact on achieving the Company's business or investment goals, such as profit, revenue, costs, expenses, or impairment of investments, among others.
- **Operational risk** means the impact on the Company's ability to conduct normal operations, including the management of human resources, operating processes, and technology, such as damage to the Network system resulting in an inability to provide normal service, damage to office premises, or the computer system and/or communication system becoming unusable, among others.
- **Financial risk** means the impact on the Company's financial position, including its ability to service debt, capital structure, and the Company's liquidity in terms of managing the Company's cash flow, in order to prevent the possibility of business disruption, such as risk relating to sources of funding and loans, as well as the Company's revenue and expenditure, among others.
- **Reputational risk** means the impact on the organization's overall image, such as poor or non-transparent corporate governance, unlawful conduct, or taking advantage of various stakeholders, among others.
- **Legal risk** means the risk arising from the requirement for various units to comply with laws and obligations binding on the organization, such as the risk of breaching contractual obligations, the risk of failing to make required regulatory reports, or non-compliance with laws, regulations, and rules.

Risk Impact and Risk Likelihood

The Risk Management Committee must appropriately establish an approach for assessing the level of severity of impact from risk (Measures of Consequence or Impact) and the likelihood of that risk occurring (Likelihood). In considering the impact of risk, this shall be assessed based on various factors, according to the impact table and likelihood table below:

1. Measuring Impact

Score Level	Impact Level	Effect on Business / Project Success
5	Catastrophic	The most severe threat to the success of the business / project.
4	Critical	Major impact / large financial loss requiring immediate corrective action.
3	Major	Significant impact / financial loss requiring corrective action.
2	Minor	Minor impact.
1	Insignificant	Minor impact (not material).

2. Measuring Likelihood

Score Level	Likelihood Level	Description
5	Almost certain	Has occurred before.
4	Likely	Could easily occur.
3	Possible	May occur, or has occurred previously.
2	Unlikely	Has not yet occurred, but could occur.
1	Rare	May occur, but only in extreme circumstances.

Risk Response to Residual Risk

1. Risk Mapping

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

Note: on the original diagram, a red outline marks the acceptable risk-level boundary. Codes L / M / H / E correspond to Low, Medium, High, and Extreme (very high) risk respectively.

2. Risk Response Measures

Code	Risk Level	Risk Response Measures
E	Very high	Prepare a Treatment Plan to avoid or reduce the impact; implement the plan and monitor results daily.
H	High	Establish a Treatment Plan; implement the plan and monitor results within 7 days.
M	Medium	Require the working process to be corrected, and monitor results.
L	Low	Monitor the risk based on normal operating performance.

3. Methods for Responding to Individual Risks

- **Treat the risk** means reducing the likelihood of occurrence, or reducing the impact, or reducing both, to an acceptable level, by establishing various control systems.
- **Transfer the risk** means reducing the likelihood of occurrence, or reducing the impact, or reducing both, by finding a party to share responsibility for the risk, such as taking out various insurance policies.
- **Accept / Tolerate the risk** means accepting the risk because it is at an acceptable level, while still needing to monitor the level of likelihood and impact that occurs, to ensure that the risk remains at an acceptable level; however, where the risk level is found to have increased, appropriate risk management measures must then be considered.
- **Avoid the risk** means avoiding or ceasing the conduct that gives rise to the risk — for example, where providing a service or performing work in an area outside the Company's expertise, the Company may avoid or cease working in that area and may use outsourcing instead.

Attachment 2

RISK MANAGEMENT PROCESS

The Company's risk management process follows the steps below, with the Board of Directors, the Executive Committee, and the Risk Management Committee providing oversight, and the risk-owning unit and the Internal Audit Department carrying out the process, under continuous Communication and Consultation and Monitoring and Review:

1. **Establish the Context:** Consider all internal and external factors relevant to the Company, and define the scope, including the risk management criteria.
2. **Identify Risk:** Identify events that may occur and that have an impact on achieving the Company's objectives.
3. **Analyse Risk:** Identify the impact and likelihood of the identified risk events occurring, including the effectiveness of existing internal controls.
4. **Assess Risk:** Assess the risk level and rank risks: Extreme (E), High (H), Medium (M), Low (L). Risk management is at the discretion of each unit.
5. **Manage Risk:** Select and approve options for reducing the likelihood and impact of the risk occurring, and implement the chosen option(s): Avoid, Accept, Transfer, or Treat.

Once risk has been assessed and ranked (Extreme / High / Medium / Low), the risk management step follows one of four response options — Avoid, Accept, Transfer, or Treat — after which the responsible unit:

1. Establishes measures to manage the risk.
2. Evaluates and selects risk management measures.
3. Reports the results of risk management and the risk management measures.
4. The risk-owning unit implements the established risk management measures.