



RISK MANAGEMENT POLICY STATEMENT

Capital A Berhad Group (referred to as "the Group"), recognises the significance of a robust risk management framework to enhance effectiveness, efficiency & stakeholder confidence. The Group commits to integrate risk management practices in all business processes and operations by benchmarking its fundamental, underlying risk management principles against international standards and in particular the practices outlined in the ISO 31000. The Group has established its own tailored approach to achieve these objectives via the Group's Enterprise Risk Management Policy.

Objective

To ensure:

- Structured approach for early identification and management of risks.
- Utilisation of appropriate risk assessment tools and techniques for consistency.
- Implementation of controls and monitoring of actions to reduce/ mitigate risk.
- Timely reporting of key risks to internal and external stakeholders.

Framework

The Risk Management framework which is embedded in the Risk Management Policy supports The Group in making informed decisions by standardizing the process of identifying, evaluating, and managing the risks faced.

The framework covers the following key features:

- Roles and responsibilities of the Risk Management & Sustainability Committee ("RMSC"), Management, Group Risk Department and all employees.
- Guidance on Risk Management processes and tools
- Guidance on Business Continuity Management

The Group has further established a structured process and lines of defense within the Risk Management Framework as follows:

1st Line of Defense

The first line of defense is provided by Management and departments, which are accountable for identifying and evaluating risks in their respective areas of responsibility.

2nd Line of Defense

The second line of defense is provided by the Group Risk Department and RMSC, which are responsible for facilitating and monitoring risk management processes and reporting.

3rd Line of Defense

The third line of defense is provided by the Internal Audit Department, which provides assurance on the effectiveness of the Risk Management Framework.



Another key component of the Risk Management Framework is Business Continuity Management and the Group has established business continuity plans that enable it to respond effectively in the event of a crisis and prevent significant disruption to operations.

The Group builds on the premise that effective risk management enables the achievement of competitive advantage and is pivotal to safeguarding assets - enabling the on-going growth and success of our business.

Note

This document is a statement only of the Group's Enterprise Risk Management Policy (ERM Policy). Both the ERM Policy and ERM Policy Statement are subject to periodic review and may be supplemented from time to time when required, in order to ensure their continued relevance and effectiveness.

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