Risk Management Policy and Framework

Business Online Public Company Limited

As 14 February 2025

Reviewed and approved by the Board of Directors of

Business Online Public Company Limited

On February 14, 2025

Business Online Public Company Limited (the "Company") places great importance on effective risk management. In this regard, the Company has established the Risk Management Committee responsible for overseeing risk management across various aspects. Additionally, the Company has developed this Risk Management Policy and Framework to provide clear guidelines and processes for risk management in a unified direction. This policy and framework emphasize strict compliance by the Company's personnel to ensure good risk management and the effective mitigation of potential risks. Ultimately, this approach aims to enhance the Company's stability and long-term sustainability.

Objective

To provide directors, executives, and employees with guidelines for effective risk management that can be implemented at all levels of the organization. This aims to support sustainability and strengthen the Company's stable business opportunities.

Definitions

"Risk" refers to uncertainty or the possibility of events that may impact the Company's operational plans, objectives, and/or goals. These impacts may be financial or non‑financial, such as effects on stakeholder confidence in the Company, corporate image, or the Company's reputation.

"Risk Factor" refers to the source, cause, or origin of a risk.

Roles and Responsibilities

1. **Board of Directors**
    1) Review and approve the Company's risk management matter, including the risk management policy and framework, and acceptable risk levels (Risk Appetite).
    2) Oversee to ensure effective implementation of the risk management policy, framework, and strategies through the Risk Management Committee.

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2. Executives

1) Manage risks arising from business operations within the Risk Appetite, considering the Company's objectives, costs, potential business returns, reputation, and overall image.

2) Manage events and risks to mitigate impacts appropriately.

3) Arrange to ensure that risk management and internal control align with the defined guidelines.

4) Foster the Company's risk culture (Risk Culture) that emphasizes effective risk management throughout the organization.

3. Risk Management Committee

1) Develop and define the risk management policy and framework, covering all significant risk categories relevant to the Company.

2) Establish strategies for effective risk management, ensuring alignment with the risk management policy and framework.

3) Review and provide input on the determination of the Risk Appetite and deviations from these levels (Risk Tolerance), as well as provide input on risk management measures and action plans to ensure adequate and appropriate management of residual risks.

4) Oversee and support effective risk management, prepare the Risk Management Committee's reports, and provide advice and support to the Board of Directors and management regarding the Company's risk management. Promote knowledge and understanding of effective risk management among employees.

5) Consider, review, and improve the risk management policy and framework at least once a year.

4. Employees

1) Understand and comply with the laws, regulations, rules, standards, and policies of the Company, including this risk management policy and framework.

2) Conduct risk assessments, report risks including the status of risks, and adhere to the prescribed good risk management practices appropriately.

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Risk Management Policy

1. The Company ensures appropriate enterprise-wide risk management in accordance with international standards. This includes the establishment of the Risk Appetite and the Risk Tolerance, as benchmarks for risk management across all employees.

2. The Company sets management and operations within the Risk Appetite, considering both the potential risks and the potential returns from business operations.

3. Directors, executives, and employees must assess both existing and potential risks arising from their operations. This includes, but is not limited to, evaluating the likelihood of risks (Likelihood), assessing their potential impact (Impact), and prioritizing risk severity (Priority).

4. The Company mandates a comprehensive risk assessment, covering Strategic Risk, Operational Risk, Financial Risk, Reputational Risk, Information Technology Risk, Compliance & Reporting Risk, and Emerging Risk.

5. Employees must regularly report risk assessment results to their supervisors, including but not limited to considerations of changing risk contexts and factors, both internal and external to the Company. Continuous reporting enables the Company to manage the risks incurred in a timely manner.

6. The Company mandates continuous monitoring and review of assessed risks to ensure that risk management measures can be effectively improved.

7. The Company promotes Risk Awareness and fosters Risk Culture to ensure that the Company can achieve its goals sustainably.

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Risk Management Framework

The Company has established the risk management framework based on the COSO Enterprise Risk Management 2017 international standards, which includes 5 key principles as outlined below:

(1) Governance & Culture

(2) Strategy & Objective-Setting

(3) Performance

(4) Review & Revision

(5) Information, Communication & Reporting

Based on these principles, the Company has established risk management processes consisting of the following 8 key steps:

1. **Internal Setting** The Company's risk management must take into account the Company's internal environment, including corporate culture, the Company's policies, and operational practices.

2. **Objective Setting** The Company must define the Company's risk management objectives to align with the Company's goals.

3. **Risk Identification** The Company must consider and gather potential or possible events, including risks in all relevant areas that, if they occur, could impact the achievement of the Company's objectives.

4. **Risk Assessment** The Company mandates the consideration and analysis of the causes, Likelihood, and Impact, followed by an assessment of the severity of the risks in comparison to the Risk Appetite.

5. **Risk Response** The Company requires the development of response guidelines and plans for assessed risks, which are communicated to supervisors and authorized personnel, considering the Risk Appetite. Risk Appetite refers to the level of risk the Company can accept to ensure business operation. Risk response guidelines include accepting the risk (Accept/Take), reducing or controlling the risk (Reduce/Treat), sharing or transferring the risk (Share/Transfer), and avoiding the risk (Avoid/Terminate).

6. **Control Activities** The Company implements appropriate risk control activities to ensure that risk management remains within acceptable levels.

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7. **Information & Communication** Clear communication within the Company is essential to support effective risk management.

8. **Monitoring** The Company conducts monitoring to track risk management activities, ensuring that the risk management processes remain appropriate and can be improved as needed.

Dissemination and Communication of the Risk Management Policy and Framework

The Company communicates and conveys the risk management policy and framework through appropriate formats. This includes dissemination via various Company's channels such as the Company's website, annual reports, and others.

Review of the Risk Management Policy and Framework

The Risk Management Committee must regularly review the risk management policy and framework to ensure their appropriateness, at least once a year, or whenever there are significant changes that could impact the Company's risk management.

Seeking Advice

In case of any doubt about whether an action may violate this risk management policy and framework, please seek guidance from your supervisor and the Risk Management Committee before proceeding.

This risk management policy and framework shall be effective from February 14, 2025 onwards.

- Karndee Leopairote-	- Min Intanate -	- Banyong Limprayoonwong -
Asst. Prof. Dr. Karndee Leopairote	Mr. Banyong Limprayoonwong	Mr. Min Intanate
(Chairman of Risk Management Committee)	(Chairman of the Board of Director)	(Director and Executive Chairman)

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Appendix

Risk Assessment Criteria

1. Impact Assessment of Risks

Impact	Level	Summary Description
Very High	5	Has a very high impact. The impact cannot be controlled.
High	4	Has a high impact. The impact is difficult to control.
Medium	3	Has a medium impact. The impact can be controlled.
Low	2	Has a low impact. The impact is easy to control.
Very Low	1	Has a very low or almost no direct impact.

2. Likelihood Assessment of Risks

Likelihood	Level	Summary Description
Very High	5	Likely to occur more than 75% of the time, or occurs regularly at least once a month.
High	4	Likely to occur 51-75% of the time, or occurs 6-10 times a year.
Medium	3	Likely to occur 26-50% of the time, or occurs 3-5 times a year.
Low	2	Likely to occur 10-25% of the time, or occurs rarely, no more than twice a year.
Very Low	1	Likely to occur less than 10% of the time, or almost never, at most once a year.

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3. Risk Assessment Matrix

Risk Assessment Matrix						
Impact	Very High	5	10	15	20	25
	High	4	8	12	16	20
	Medium	3	6	9	12	15
	Low	2	4	6	8	10
	Very Low	1	2	3	4	5
		Very Low	Low	Medium	High	Very High
	Likelihood					

Level	Description
Low Green (1-4)	The risk level is acceptable to the organization. It may include risks that are either already controlled or not yet mitigated.
Medium Yellow (5-9)	The risk level is acceptable to the organization but needs to be controlled to prevent it from increasing to an unacceptable level.
High Orange (10-16)	The risk level is unacceptable to the organization and must be managed to bring it to an acceptable level.
Very High Red (17-25)	The risk level is unacceptable to the organization and requires immediate action to reduce it to an acceptable level.

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