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**Risk Management Committee Charter**

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**SRINANAPORN MARKETING PUBLIC COMPANY LIMITED**

## **Risk Management Committee Charter**

The Board of Directors of Srinanaporn Marketing Public Company Limited (the "Company") appoints the Risk Management Committee to establish risk management policies to cover all types of risks throughout the organization, as well as support and act on behalf of the Board of Directors regarding corporate governance which there shall be a risk management system or process to control and reduce the impact of risks on the Company's business according to the basic principles of Good Corporate Governance aligning with the organization's vision, mission, and goals, additionally to encourage risk management according to the COSO Enterprise Risk Management Framework: COSO-ERM, including promoting and supporting risk management throughout the organization to gain stakeholders' trust in the Company's strategic operations, aiming at achieving the organization's objectives and goals efficiently. The Board of Directors has therefore established the Risk Management Committee Charter as follows:

### **1. Composition**

1.1. The Risk Management Committee shall be comprised of at least three Board of Directors members and Executives and at least one of the members shall be an independent director.

1.2. The Risk Management Committee shall elect one being an independent director in the Risk Management Committee to be the Chairperson of the Risk Management Committee.

1.3. The Risk Management Committee shall appoint the Head of the Risk Management department or an employee of the Company to serve as secretary of the Risk Management Committee.

### **2. Qualification**

2.1. The chairperson of the Risk Management Committee shall not be the Chairperson of the Board of Directors.

2.2. A member shall possess knowledge, abilities, and experience which are beneficial to the Company's business operations.

2.3. A member shall be a person with honesty, integrity, and ethics in conducting business and have sufficient time to dedicate knowledge, abilities to perform duties for the Company and

possess, in particular, the knowledge regarding risks involved and/or the risk that may occur and affect the Company's business operations.

2.4. A member shall be fully qualified and not have prohibited characteristics according to the law on public limited companies, laws regarding securities and stock exchange and any other laws related to the Company's business operations.

2.5. A member shall not be a person who operates a business of the same nature and in competition with the business of the Company or become a partner or being a director in another juristic person which operates a business of the same nature and in competition with the business of the Company, regardless it is for the benefit of oneself or others unless the Board of Directors' meeting been informed prior to the resolution to appoint such member.

### **3. Appointment and Tenure**

3.1. The Risk Management Committee must be appointed by the Board of Directors.

3.2. The tenure of the Risk Management Committee is according to the tenure of being the Company's directors. Any member of the Risk Management Committee shall retire by rotation as the Company's director and is re-appointed to resume the position as the Company's director. Such director shall continue to serve as the Risk Management Committee member until the Board of Directors resolves to appoint a new Risk Management Committee member.

3.3. If the Risk Management Committee member is not the Company's director as mentioned above. Such director shall continue to serve until he or she leaves the executive position or resign from the Company, as the case may be.

3.4. Apart from abovementioned, the Risk Management Committee members shall leave their positions upon

- (1.) Dead
- (2.) Resignation (resign from the position of the Company's director or a member of the RMC)
- (3.) Lack of qualifications according to this charter or having prohibited characteristics according to the law on public limited companies and/or the law on securities and stock exchange.
- (4.) The resolution of The Board of Directors' meeting or the shareholders' meeting.
- (5.) Court order to leave the position of the Company's directors.

3.5. If a Risk Management Committee member wishes to vacate the position, he or she shall submit a resignation letter to the Chairperson of the Risk Management Committee at least one month in advance, along with reasons for resignation. The Chairperson of Risk Management Committee shall inform the Nomination and Remuneration Committee (In the case that the Chairperson of the Risk Management Committee wishes to vacate the position, the resignation letter shall be submitted to the Chairperson of the Nomination and Compensation Committee). The Nomination and Remuneration Committee shall propose the resignation to the Board of Directors for approval and appointing another person fully qualified as a replacement.

3.6. If the entire Risk Management Committee vacates, they shall remain in charge until the new Risk Management Committee assumes duties to ensure the continuity of operations.

The vacation abovementioned in Section 3.6 excludes due to resolution of the shareholders' meeting, the Board of Directors' meeting or court order.

3.7. If there shall be a vacancy on the Risk Management Committee due to reasons other than retire by rotation as a result the Risk Management Committee has fewer than three members. The Board of Directors according to the recommendations of the Nomination and Remuneration Committee shall appoint a person fully qualified as a within ninety days from the date the number of Risk Management Committee members is less than three; therefore, the Risk Management Committee has a complete number of committee members. The new appointment shall serve the remaining term of the Risk Management Committee member he or she replaces.

#### **4. Scope of Duties and Responsibilities**

4.1. Evaluate and review the nature of risks the Company is experiencing or expected to occur and affect the Company (Risk Identification) and determine the acceptable risk level of the Company (Risk Appetite).

4.2. Consider, determine, and supervise compliance with risk management policies from both external factors and internal factors. It covers and is consistent with the Company's business strategy and direction at least 7 risks as follows:

- a) Financial and Liquidity Risk
- b) Operational and Safety Risk
- c) Strategic Risk

- d) Compliance Risk
- e) Cyber Risk
- f) Public health Risk
- g) ESG Risk

4.3. Consider setting strategies and guidelines for risk management in line with the risk management policy in order to be able to assess, follow up, and supervise risk levels to be at an acceptable level.

4.4. Consider determining the structure and appointing a risk management working group as appropriate, define roles, duties, and responsibilities to achieve the objectives as well as evaluate and follow up the risk management and the results.

4.5. Review the suitability and adequacy of policies, strategies, preventive measures, and guidelines for risk management of the Company to ensure that the said policies, strategies, preventive measures, and guidelines are consistent with the Company's business strategy and direction and be able to supervise risk levels to be at an appropriate and acceptable level.

4.6. Evaluate and supervise the risk management process and review the report of risk management to follow up on significant risks ensuring that the organization has adequate and appropriate risk management.

4.7. Coordinate with the Audit Committee on important risk issues to ensure the Company has an internal control system which is appropriate to the type of risks by implementing the risk management system appropriately.

4.8. Report to the Board of Directors on risks and risk management.

4.9. Provide advice, counsel, and suggestions to authority and personnels or a working group related to risk management, including considering appropriate guidelines for developing a risk management system.

4.10. Carry out any other duties as assigned by the Board of Directors or according to the policy set by the Board of Directors.

4.11. Report to shareholders on the activities that the Risk Management Committee performed during the year according to the duties and responsibilities specified in this charter. The report shall

be signed by the Chairperson of the Risk Management Committee and disclosed in the Company's annual report.

## **5. Meeting**

5.1. The meeting of the Risk Management Committee shall be convened as the Chairperson of the Risk Management Committee deems appropriate. There must be at least twice per annum.

5.2. The Chairperson of the Risk Management Committee or a member of Risk Management Committee assigned by the Chairman of the Risk Management Committee determines the date, time, and place of the Risk Management Committee meeting. The meeting place shall be able to be determined in other area than the area where the Company's Head Office is located, or nearby provinces. If the meeting location has not been specified by the Chairperson of the Risk Management Committee or the assigned member, the meeting shall be convened at the Company's Head Office.

For the call for a meeting of the Risk Management Committee, the Chairperson of the Risk Management Committee or the Secretary of the Risk Management Committee shall send the meeting invitation letter directly to the Risk Management Committee, specifying the date, time, place, and agenda to the Risk Management Committee at least seven days prior to the meeting date, except in cases of urgent necessity to preserve rights or benefits of the Company, the notice of the meeting can be sent by other means, and the notice period can be less than seven days prior to the meeting date.

5.3. The Chairperson of the Risk Management Committee shall call a special meeting of the Risk Management Committee if requested by the Risk Management Committee or the Chairperson of the Board of Directors to consider agendas required joint discussion.

## **6. Quorum and Voting**

6.1. All Risk Management Committee members shall attend every Risk Management Committee meeting, and in the Risk Management Committee meeting, there shall not be less than half of the total number of members present at the meeting to form a quorum.

6.2. The Chairperson of the Risk Management Committee shall be the Chairperson of the meeting. If the Chairperson of the Risk Management Committee is not present at the meeting or

unable to perform duties, the Risk Management Committee members attending the meeting shall elect one of the Risk Management Committee members to act as chairman of the meeting.

6.3. The Risk Management Committee shall invite the Company's executives or related persons to attend meetings. To request clarification on related matters.

6.4. The resolution of the Risk Management Committee meeting shall be based on a majority vote of the Risk Management Committee members attending the meeting. In the case of a tie, the Chairman of the Risk Management Committee shall be the final decision maker. If there is a risk management committee member who objects to the said resolution, there shall be clearly recorded the objections of the Risk Management Committee member in the meeting minutes.

6.5. The Chairperson of the Risk Management Committee shall propose the meeting minutes or items need to be improved or any other matters the Board of Directors should know the Board of Directors a least once per annum.

## **7. Performance Evaluation**

7.1. Arrange an annual performance evaluation at least once a year by both group and individual assessments using self-assessment or cross-assessment.

7.2. Report the results of the risk management committee assessment to the Board of Directors to consider work and problems including suggesting guidelines for developing and improving the operations of the Risk Management Committee to be more efficient.

7.3. In evaluating the performance of the Risk Management Committee, the Risk Management Committee shall be able to appoint external consultants to consider setting guidelines and recommend important issues in evaluating the performance of the Risk Management Committee as necessary and appropriate.

## **8. Review and Amendment**

The Risk Management Committee shall review this charter annually and promptly suggest corrections and improvements as appropriate and propose a review of the charter to the Board of Directors to consider amending the Risk Management Committee Charter.

This Risk Management Committee Charter was approved by the Board of Directors' meeting No.5/2023 on 8 November 2023, shall be effective from 8 November 2023 onwards.

-Signed-

(Mr. Niwat Kanjanaphoomin)

Chairman of the Board of Directors

Srinanaporn Marketing Public Company Limited