



PPC GROUP RISK MANAGEMENT POLICY

The main objective of this policy is to ensure sustainable business growth and to promote a pro-active approach in evaluating, mitigating and reporting risks associated with the business. In order to achieve the main objective, the policy establishes a structured and disciplined approach to Risk Management. The following is the policy statement:

“ To ensure protection of shareholder value through the establishment of an integrated Risk Management Framework/System for identifying, assessing, mitigating, monitoring, evaluating and reporting risks. ”

The policy was developed in the context of the future growth objectives, current business profile and new business endeavours and is meant to ensure continuity of business and protection of interests of the investors. Any conflicts of interests involving these considerations will be dealt with on a consensus decision basis. Therefore it covers all the activities within the company and events outside the company which have a bearing on the company's business. The policy shall operate in conjunction with other business and operating/administrative policies.

The Board is accountable to shareholders for the governance of risk and to ensure that the Company's strategy and business plans have properly considered and evaluated the associated risks.

The Board has delegated responsibility to evaluate the risk management progress, the effectiveness of the risk management activities, the key risks facing the company and the appropriate responses to address key risks, to the Risk and Compliance committee of the board.

The responsibility to design, implement and monitor the risk management plan has been delegated to management. In order to fulfil the objectives of this policy and lay a strong foundation for the development of an integrated risk management framework, the policy outlines the following guiding principles of Risk Management:

- » All business decisions will be made with the applicable information on and acceptance of risk involved as defined in the risk appetite and tolerance matrix;
- » The board and executives shall periodically be made aware of the high level risks faced by the business, will evaluate the risks and develop mitigating measures;
- » All employees of the company shall be made aware of risks in their respective domains, will be assisted to evaluate the risks and develop mitigation measures;
- » The risk mitigation measures adopted by the company should be effective in the long-term and be embedded in the business processes of the company;
- » Risk appetite and tolerance levels will be regularly reviewed by the board and decided upon depending on the requirement of company's strategy;
- » The occurrence, progress and status of all risks will be promptly reported and appropriate actions be taken thereof.

The risk management plan of management is meant to ensure that the risk management policy is implemented and that risk management processes are embedded in all the organization's practices and business processes. The risk management process includes five activities:

- » communication and consultation,
- » establishing the context,
- » risk assessment,
- » risk treatment,
- » monitoring and review.

Management will monitor risk management through continuous and regular measurement and reporting of the Company's risk management performance to the Risk and Compliance committee. They will also ensure that resources are available to assist those accountable or responsible for managing risk. Control assurance will focus on continuously improving the underlying quality and sustainability of the Company's business activities.

The Policy is reviewed by the Risk and Compliance Committee on an annual basis.