

ANCOM NYLEX BERHAD [Registration No.: 196901000122 (8440-M)] (Incorporated in Malaysia)	Date of Statement:	11/07/2024
	Last reviewed and approved by the Risk Management Committee:	18/08/2024
	Approved by the Board of Directors:	13/09/2024

RISK MANAGEMENT POLICY

1. OBJECTIVES

The Board of Directors (“Board”) of Ancom Nylex Berhad (“Company”) recognises the importance of risk management process to identify, evaluate, monitor, manage and respond to significant risk faced by the Group in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and increasing regulatory scrutiny. According, this Risk Management Policy (“Policy”) is established by the Board with the aim of setting and providing references of the intents and fundamentals of risk management practices in the Company and its subsidiaries (collectively “Group”). It sets out the responsibilities and framework aim to ensure that risks are effectively managed to protect the interests of the Company, its Board of Directors, Management and Employees.

2. BOARD’S RESPONSIBILITIES

The Board is primarily responsible for overseeing the risk management in the Group. The Board has established a Risk Management Committee (“Committee”) to assist the Board in carrying out the responsibilities more effectively. The Committees is entrusted with the authority to act on behalf of the Board in accordance with the Terms of References of the Committee.

The Board, through the Committee, will perform the following responsibilities:

- i. review and recommend the overall risk management strategies, policies and procedures and risk appetite framework of the Company and its key subsidiaries (“Group”);
- ii. review and assess the adequacy of risk management policies and frameworks and recommend changes as needed to ensure that the Group has in place at all times an effective Risk Management framework;
- iii. implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group’s business, operational, financial and compliance risks and assesses the mitigating actions put in place to manage these risks; and
- iv. review the adequacy of infrastructure, resources and systems for the Group’s Risk Management framework.

In discharging the functions as stated above, the Committee shall have, at the cost of the Company:

- i. explicit authority to investigate any matter within its Terms of Reference;
- ii. all the resources that are required to perform its duties;
- iii. full and unrestricted access to any information pertaining to the Group;
- iv. direct communication channels with the senior management of the Group, and the ability to convene meetings at its discretion with either or both of the above, without the attendance of other Directors, the management or employees of the Group; and
- v. the authority to obtain independent professional or other advice and to secure the attendance of any persons with relevant experience and expertise if considers necessary.

3. RISK MANAGEMENT FRAMEWORK

The Company's Risk Management Framework is as follows:

- i. **Identification:** Risks shall be identified through regular risk assessments conducted by the Risk Management Working Group;
- ii. **Assessment:** Identified risks shall be assessed based on their likelihood of occurrence and potential impact on the Company's objectives, financial performances and reputation. Risks should also be prioritised based on their significance, considering their potential impact and likelihood of occurrence, to determine the order of management;
- iii. **Management:** Appropriate risk management or mitigation plans shall be developed and implemented to reduce the likelihood and impact of identified risks. Mitigation plans shall be regularly reviewed and updated as necessary; and
- iv. **Monitor:** The effectiveness of risk mitigation measures shall be continuously monitored, and risk assessments shall be periodically reviewed to ensure their relevance and accuracy;

4. RISK APPETITE AND TOLERANCE

The Board maintains a moderate risk appetite to achieve the Group's strategic goals while minimizing potential adverse impacts.

5. DISCLOSURE

The Boards shall disclose in the Company's Annual Report a meaningful Statement on Risk Management and Internal Controls ("SORMIC") which contains information necessary to assist shareholders' in understanding the main features of the Group's risk management processes and systems of internal control. The Committee will review

and ensure that the SORMIC in the Company's Annual Report is made in compliance with the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Busra Securities");

In making its disclosures, the Board is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers which is issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

6. REVIEW AND PUBLICATION OF THE POLICY

The Board shall publish the Policy in the Company's website at www.ancomnylex.com. The Board shall also review the Policy and make necessary amendments to update the Policy periodically to ensure that the Policy remains consistent with the Board's objectives, current regulatory requirements and governance best practice and remains relevance and effective. Changes in the Policy shall be adopted by the Board with a resolution.