

Risk Management Policy

Country Group Development PCL.

VERSION 01/2026
EFFECTIVE 15 May 2026



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1. INTRODUCTION

Country Group Development Public Company Limited recognizes the importance of effective and efficient risk management as a key component of good corporate governance and a fundamental basis for supporting the Company in achieving its objectives and sustainable long-term growth. The Company focuses on systematically identifying, assessing, and managing risks across the organization in order to support prudent management decision-making and respond promptly to changes in the business environment. In addition, the Company aims to reduce the likelihood and impact of uncertainties while enhancing confidence among shareholders and stakeholders.

2. DEFINITION

Risk	Refers to	The possibility that an event or circumstance may occur and adversely affect the achievement of the organization's strategic objectives, business goals, and operations.
Enterprise Risk Management	Refers to	The culture, capabilities, and practices integrated with strategy-setting, objective-setting, and operations to manage risks in a manner that creates, preserves, and enhances organizational value.
Risk Assessment	Refers to	The process of identifying, analyzing, and evaluating risk levels by considering the likelihood of occurrence and potential impacts.
Risk Appetite	Refers to	The overall level of risk that the Company is willing to accept in pursuing its business activities and strategic objectives. Such level shall be reviewed by the Risk Management Committee and approved by the Board of Directors.
Risk Tolerance	Refers to	The acceptable level of deviation or range of risk for each activity, process, or department, used as a guideline for monitoring and controlling risks within established limits.
Risk Management Working Team	Refers to	The risk owners, being executive or responsible person within a department who has direct responsibility for identifying, assessing, monitoring, and managing risks related to the processes or activities under their supervision.
Key Risks	Refers to	Risks that may significantly impact the achievement of the Company's objectives, strategies, operating results, financial position, reputation, or sustainability.
Emerging Risks	Refers to	New risks or risks with significantly changing trends arising from internal or external factors that may affect the Company's future business operations.

Risk Register	Refers to	A document or system used to record, compile, monitor, and report the organization's risk information, including control measures, responsible persons, and risk status.
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3. OBJECTIVES

To establish a risk management framework, guidelines, and processes that are aligned with international standards and systematically integrated across all levels of the organization. Risk management shall be incorporated as an integral part of business operations and the responsibilities of all departments to ensure that risks are identified, assessed, and managed within acceptable levels.

The framework aims to support the achievement of strategic objectives, protect the interests of stakeholders, and create added value for the organization, while promoting a risk management culture and enhancing risk awareness among employees. In addition, the Company shall ensure continuous monitoring, reporting, review, and improvement of the effectiveness of risk management practices in alignment with organizational objectives and changes in the business environment.

4. RISK MANAGEMENT POLICY

- 4.1 Risk management shall be considered the responsibility of all employees, who are required to recognize and be aware of risks associated with their duties, departments, and the organization as a whole. The Company shall place importance on managing all types of risks under a systematic internal control framework to ensure that risks are maintained at an adequate and appropriate level.
- 4.2 The Company shall establish an enterprise risk management process in accordance with internationally accepted standards and best practices to ensure effective management of risks that may impact the Company's operations. Risk management practices shall be continuously developed and implemented consistently throughout the organization. The risk management system shall be integrated into decision-making, strategic planning, operational planning, and business execution processes to support the achievement of the Company's objectives, goals, vision, mission, and strategies, while enhancing operational excellence and stakeholder confidence.
- 4.3 The Company shall establish preventive and mitigating measures to manage operational risks in order to avoid potential damages or losses. In addition, risk management performance shall be monitored and evaluated on a regular basis.
- 4.4 The Company shall promote and support the adoption of modern information technology systems in its risk management processes and encourage personnel at all levels to have adequate access to risk management information and resources. Furthermore, an effective risk reporting system shall be established to ensure that the Risk Management Committee is appropriately informed.
- 4.5 The Risk Management Policy shall be reviewed and updated at least once annually, or whenever significant changes occur that may materially affect the Company's risk management practices.

5. RISK MANAGEMENT FRAMEWORK

The Company has established a risk management framework in alignment with the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM 2017, which consists of five key components and twenty principles. The Company adopts these components and principles in its enterprise-wide risk management practices. Enterprise-level risks shall be managed systematically through the Risk Management Committee in accordance with its defined roles, duties, and responsibilities. Department-level risks shall be overseen by the management responsible of each respective function. All departments are responsible for managing risks within their areas of responsibility to ensure that risk levels remain within the Company's approved risk appetite.

6. ROLES AND RESPONSIBILITIES IN RISK MANAGEMENT

6.1 Board of Directors

- 1) Oversee and ensure that the Company has an appropriate, adequate, and effective risk management system and internal control system.
- 2) Review and approve the Risk Management Policy, Risk Management Framework, risk management guidelines, Risk Appetite, and Risk Tolerance.
- 3) Oversee that risk management practices are aligned with the Company's strategies, business objectives, and operations.
- 4) Acknowledge and regularly monitor key risks, including the progress of risk management activities.

6.2 Audit Committee

- 1) Review the adequacy and effectiveness of the risk management system, internal control system, and corporate governance processes.
- 2) Acknowledge and review significant risk issues, including audit results related to risk management.
- 3) Provide recommendations to the Board of Directors regarding improvements to the risk management system and internal control system.

6.3 Risk Management Committee

- 1) Oversee, supervise, and promote enterprise-wide risk management in a systematic manner.
- 2) Review and consider the Risk Management Policy, Risk Management Framework, risk assessment criteria, Risk Appetite, and Risk Tolerance before proposing them to the Board of Directors for approval.
- 3) Review significant enterprise risks, including the adequacy and effectiveness of risk mitigation measures.
- 4) Monitor risk status, emerging risks, and risk factors that may impact the organization.
- 5) Regularly report risk management results and significant risk issues to the Board of Directors.

6.4 Chief Executive Officer (CEO)

- 1) Define direction and support the implementation of the risk management system throughout the organization.
- 2) Integrate risk management into strategic planning, business plans, budgeting, and business decision-making processes.
- 3) Allocate appropriate resources, personnel, and tools to support effective risk management.
- 4) Supervise and monitor all departments to ensure continuous risk management practices in alignment with established policies.

- 6.5 Risk Management Working Team
- 1) Identify, assess, and manage risks related to the processes or departments under their responsibility.
 - 2) Prepare, review, and update the Risk Register, including establishing appropriate control measures and risk management plans.
 - 3) Monitor risk status, evaluate the effectiveness of risk management measures, and continuously assess emerging risks.
 - 4) Implement corrective actions, improvements, or additional measures when risks exceed acceptable levels.
 - 5) Report risk status, significant risk issues, and risks exceeding acceptable levels to the Secretary of the Risk Management Committee in a timely manner.
- 6.6 Secretary of the Risk Management Committee
- 1) Support, coordinate, and enhance the Company's risk management system to ensure effectiveness and compliance with established policies.
 - 2) Prepare, review, and improve the Risk Management Policy, framework, criteria, tools, and related forms to align with international standards and the Company's business operations.
 - 3) Coordinate with risk management working team in setting objectives, identifying, assessing, monitoring, and consolidating risk information, including preparing and updating the Enterprise Risk Register.
 - 4) Consolidate, analyze, and prepare risk management reports, including significant risk issues, for submission to the Risk Management Committee, Audit Committee, and Board of Directors.
 - 5) Monitor the progress and effectiveness of risk mitigation plans of each department, including compliance with established risk management policies and guidelines.
 - 6) Report risk status, emerging risks, and risk issues exceeding acceptable risk levels to the Risk Management Committee.
- 6.7 Internal Audit Department
- 1) Independently assess the adequacy and effectiveness of the risk management system and internal control system.
 - 2) Provide recommendations to improve the effectiveness of risk management processes, internal controls, and corporate governance practices.
 - 3) Report audit results and recommendations to the Audit Committee and Chief Executive Officer.
- 6.8 All Employees
- 1) Be aware of and strictly comply with the Company's Risk Management Policy.
 - 2) Identify, notify, report, and participate in managing risks related to their duties and responsibilities.
 - 3) Comply with internal control measures, risk management guidelines, and Company requirements to support effective enterprise risk management.

-Signature-

Chairman of the Board of Directors

(Mr. Vikrom Koompirochana)