



# Risk Management Committee Charter

**15th edition, November 2023**

Corporate Governance and Administration Department  
Bangkok Aviation Fuel Services PCL

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Record of preparation/revision of the Risk Management Committee Charter

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## 1. Objectives

The objective of the Risk Management Committee is to oversee the Corporate Risk Management of BAFS Group in order to ensure that

- 1.1 The management focuses on implementing the risk management framework continuously and consistently to maintain sustainable business operations.
- 1.2 There are appropriate tools and processes to support personnel in all departments to fulfill their risk management responsibilities.
- 1.3 The management understands and accepts its responsibility in identifying, evaluating, and mitigating risk within the established Risk Tolerance.
- 1.4 Risk mitigation must
  - 1.4.1 Mitigate risks that could cause damage or loss of opportunity to achieve key strategic objectives.
  - 1.4.2 Prevent fraud and corruption, including loss or damage to BAFS Group's assets.
  - 1.4.3 Ensure that BAFS Group has fully complied with various laws and regulations.
  - 1.4.4 Maintain appropriate standards in the areas of operating quality system, occupational safety, health, and environment.
  - 1.4.5 Strengthen the risk management policies by focusing on conducting business in accordance with good corporate governance principles, business ethics, and anti-corruption policies for the sustainable success of the business. This is achieved by delivering value to stakeholders throughout the supply chain in a balanced manner, covering economic, social, and environmental dimensions

## 2. Scope of Duties

- 2.1 Review risk management policies annually, including preliminary approval if revisions are made, and present them for approval at the Board of Directors meeting.
- 2.2 Approve the company's risk management framework, which includes sustainability issues related to environmental, social, and governance (ESG), climate-related, and monitor the implementation. Additionally, evaluate the effectiveness of the risk management framework.
- 2.3 Approve the Risk Appetite, Risk Tolerance, and Key Risk Indicators for BAFS Group.
- 2.4 Review the results of the SWOT analysis for the benefit of developing BAFS Group's strategy that aligns with Risk Appetite and Risk Tolerance.
- 2.5 Supervise the Risk Supervision Working Group.
- 2.6 Review and provide feedback in the case where the implementation of the BAFS Group's strategy poses risks beyond the acceptable risk tolerance.
- 2.7 Approve the establishment of the Risk Supervision Working Group (RWG)

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- 2.8 Approve or provide feedback on the assessment of Corporate Risk Matrix and Target Risk of BAFS Group presented by the Risk Supervision Working Group in accordance with the COSO ERM principles
- 2.9 Approve the revision or rescheduling of the Corporate Risk mitigation plan's completion date
- 2.10 Ensure that BAFS Group's Corporate Risk Management is consistently applied to achieve sustainable business operations.
- 2.11 Oversee the management of risks related to corruption, human rights, as well as other risks associated with the principles of good corporate governance, business ethics, and anti-Corruption policies.
- 2.12 Screen and review Corporate Risk to ensure that risk mitigation plan is adequate and appropriate, within the acceptable Risk Appetite and Risk Tolerance, and that the risk management process is being implemented on an ongoing basis
- 2.13 Present an overview of BAFS Group's risk profile, mitigation plan, and the results of Corporate Risk management to the Board of Directors.
- 2.14 Regularly communicate with the Audit Committee through the exchange of knowledge and information regarding the overall risk and the internal controls that have or may have an impact to BAFS Group.
- 2.15 Foster the development of a risk management culture and implement appropriate internal controls.
- 2.16 Perform any other duties as assigned by the Board of Directors.
- 2.17 The Risk Management Committee may engage external consultants to provide expert advice at the company's expense, subject to the prior approval of the Board of Directors.

### **3 Composition and Qualifications**

- 3.1 The Risk Management Committee is appointed by the Board of Directors.
- 3.2 The Chairman of the Risk Management Committee is an independent director.
- 3.3 The Risk Management Committee shall consist of at least 5 members as follows:
  - 3.3.1 At least 1 independent director.
  - 3.3.2 Company Director or at least one external expert whom the company deems appropriate to appoint.
  - 3.3.3 Executive Chairman and President.
  - 3.3.4 One person from the company's or subsidiary's management team.
- 3.4 Director of Corporate Governance and Administration Department serves as secretary of the Risk Management Committee

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- 3.5 Additional meeting participants may be invited to attend meetings at the discretion of the Risk Management Committee Secretary to provide clarification on related topics.
- 3.6 The Risk Management Committee shall serve a three-year term. Members who complete their terms may be reappointed with the approval of the Board of Directors.
- 3.7 The Risk Management Committee shall vacate their position in the following cases.
- 3.7.1 When a company director vacates their position, if they are subsequently re-elected as a new company director, they shall continue to serve as a member of the Risk Management Committee until the end of their remaining term.
- 3.7.2 When the Board of Directors votes to vacate the position.
- 3.7.3 When the term of office ends.
- 3.7.4 When resign, retire, or pass away.
- 3.7.5 If a Risk Management Committee member ceases to be a member of the Risk Management Committee before the expiration of their term of office for any reason, the newly appointed Risk Management Committee member shall serve the remaining term of the Risk Management Committee member who resigned from office.

#### **4 Meetings**

- 4.1 The Risk Management Committee meets at least once a quarter.
- 4.2 The committee secretary will deliver meeting documents to the Risk Management Committee at least 5 working days before the meeting
- 4.3 Meeting topics must at least include the following:
- 4.3.1 Approval of the previous meeting's agendas of the Risk Management Committee.
- 4.3.2 Report on the progress of the actions based on the feedback from the previous meeting
- 4.3.3 Report on BAFS Group's corporate risk and mitigation plan
- 4.3.4 Report on the Risk Supervision Working Group's quarterly progress.
- 4.3.5 Report other issues related to risk management as assigned by the Board of Directors

#### **5 Quorum**

In the meetings of the Risk Management Committee, there must be at least three-quarters of the total number of Risk Management Committee members appointed by the Board of Directors in order to constitute a quorum. The Secretary of the Risk Management Committee must attend all meetings.

If the Chairman of the Risk Management Committee is not present at the meeting or is unable to perform his or her duties, the Risk Management Committee members present at the meeting shall elect one of the Risk Management Committee members to be the Chairman of the meeting.

The decision of the meeting shall be made by a majority vote. Each Risk Management Committee member has one vote in the voting. However, a Risk Management Committee member who has a conflict of interest in any matter shall not have the right to vote on that matter. If the votes are equal, the Chairman of the meeting shall cast one additional vote as a tie-breaker.

## **6. Compensation and Allowances**

The Risk Management Committee receives compensation and meeting allowances as approved by the shareholder meeting.

## **7 Reporting**

The Risk Management Committee is responsible to the Audit Committee and the Board of Directors. The Risk Management Committee must submit reports on its activities to the relevant committees as follows:

- 7.1 A summary of the results of the risk management process, prepared as an agenda for the Audit Committee to review on a quarterly basis.
- 7.2 A summary of the results of the risk management process, prepared as an agenda for the Board of Directors to be aware of on a quarterly basis.
- 7.3 Other reports assigned by the Board of Directors.

This charter must be reviewed once a year by the Risk Management Committee, and if any amendments are made, they must be presented to the Board of Directors for approval.

Effective from 9 November 2023