



RGT BERHAD

Registration No. 198101004909 (71024-T)
(Incorporated in Malaysia)

ENTERPRISE RISK MANAGEMENT POLICY

Enterprise Risk Management Policy Statement

RGT Berhad (“**RGTBHD**” or “**the Company**”) recognises that it is obliged to systematically manage and regularly review its risk profile at a strategic, financial, operational and compliance level. RGTBHD propose to do this by developing/adopting risk management policy and framework that determines the process and identifies tools for realising its objectives. Not only does it wish to minimise its risk but also maximise its opportunities. It enhances RGTBHD’s capability to respond timely to the changing environment and its ability to make better decision.

The Enterprise Risk Management Policy (“**ERM Policy**” or “**Policy**”) scope encompasses the Company and all its subsidiaries (“**the Group**” or “**RGTBHD Group**”). The application of the Policy will be the responsibility of Key Senior Management (“**KSM**”) with content input from those with accountability in specific areas. Head of Departments/Managers at all levels are accountable for risk management at their levels.

For the purpose of this Policy, KSM of RGTBHD is person, who in the opinion of RGTBHD, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company’s core business and principal subsidiaries.

Risk registers are developed and subject to annual review at Risk Management Committee’s (“**RMC**”) level and subsequently ranked, debated and reported to the Chief Executive Director and Board of Directors (“**Board**”) and laterally to the Audit Committee (“**AC**”) (where applicable) of the Company.

The Board has a stewardship responsibility to understand these risks, provide guidance on dealing with these risks and to ensure risks are managed proactively, in a structured and consistent manner.

The objective of this Policy statement is to ensure:

- (a) a common and consistent approach for management of risks is adopted with RGTBHD Group;
- (b) the management of risk contributes to the quality of performance and continuous improvement of the Group’s businesses, its operations and delivery of services and products; and
- (c) all significant risks are identified, evaluated, managed and reported on a timely manner to the CEO, RMC, AC and the Board.

The policies of the Board for ERM are as follows:

- (a) **To integrate risk management into the culture, business activities and decision-making processes.**

Risk management concept, thinking and initiative must be embedded in a day-to-day business operation and decision-making process. Risks that can be managed through embedded, routine systems and processes should be so managed and monitored. Where risks cannot be so managed, they must be subjected to individualised risk management techniques appropriate to a particular risk.

- (b) **To anticipate and respond to the changing operational, social, environmental and regulatory requirements proactively.**

As far as reasonably possible, risks must be identified, analysed and dealt with by management proactively based on their experience, industry knowledge and information available from the marketplace. RGTBHD must not experience any crystallisation of major risk unexpected by the Board. However, this does not mean the risk will not happen, but there are comprehensive plans put in place to respond timely and address the risk impact.

- (c) **To manage risks pragmatically, to an acceptable level given the particular circumstances of each situation**

In dealing with risks, the Board understands that it is not always possible, cost effective or desirable to manage or eliminate risk all together. A cost-benefit approach is needed where the returns must commensurate with the risks taken and reduce cost of risk controls.

- (d) **To implement a robust and sustainable ERM Framework that is aligned with RGTBHD's vision and mission, and in accordance with best practices.**

The Board recognises that a structured and consistent ERM Framework is instrumental for RGTBHD to deploy its operational strategy effectively and this will be achieved via:

- (i) Periodic reporting, at least once in relevant financial year, to the Board on risk management activities and keep the Board apprised and advised of all aspects of ERM and significant individual risks and risk trends.
- (ii) Provision of adequate and suitable resources, including tool(s) and manpower to ensure the ERM Framework and system are operating effectively.
- (iii) Provision of adequate education and communication to ensure staff comprehend the requirements, benefits, and their role and responsibilities for risk management.
- (iv) Maintain documented risk information (via risk registers and risk action plans) and procedures for the control risks.

Review of Policy

This ERM Policy will be reviewed annually to ensure the needs of the Company are met as well as to encompass any development in framework, rules and regulations that may be an impact on the RGTBHD's ERM processes or practices. Any requirement for amendment shall be deliberated by the RMC, and any recommendation for revisions shall be presented to the Board for approval.