



## CHEMANEX PLC

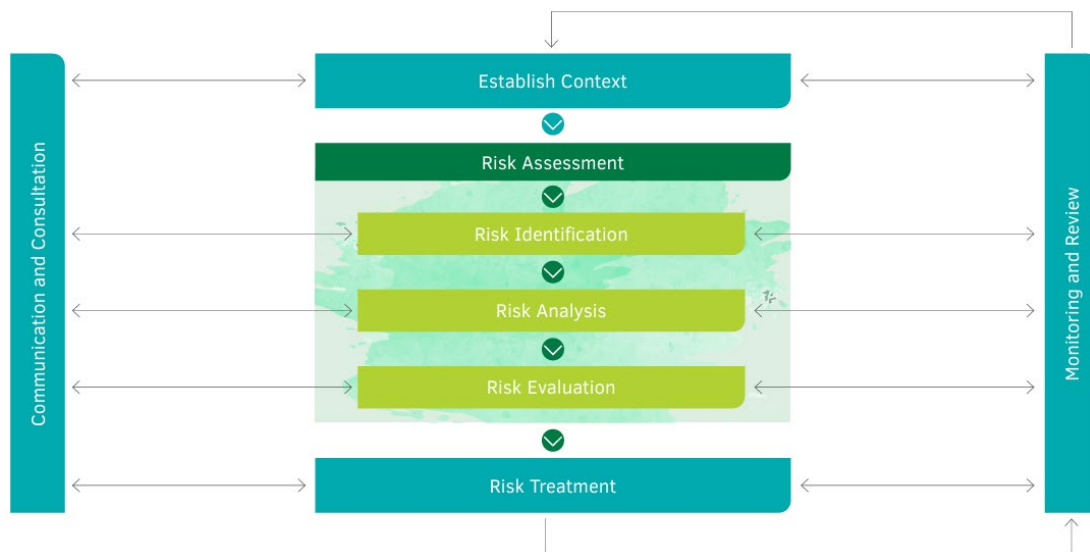
### POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS

#### Policy Statement for Risk Management

Chemanex PLC recognizes that achieving long-term growth and sustainability hinges upon a proactive approach to risk management. To this end, the Company is committed to build and implement a comprehensive risk management framework designed to continuously identify, assess and mitigate potential threats.

#### Risk Management Framework

Staff is required to abide by the risk management framework of the Company which revolves around the following key processes for identifying, measuring, managing, controlling and reporting current and emerging risks across all Company activities.



#### Responsibilities

The Board of Directors is responsible for establishing a robust control environment to support effective risk management, which must include clear risk management guidelines, robust internal control procedures, well-defined risk mitigation strategies and comprehensive monitoring and reporting protocols.

The Board of Directors is also responsible for providing oversight for the entire risk management process, with the Board Audit Committee specifically assessing the suitability and effectiveness of the risk control environment.

However, the Company emphasizes that risk management is a shared responsibility. This policy seeks to integrate risk management into all facets of business and decision-making processes, including strategy formulation, business development, business planning, capital allocation, investment decisions, internal controls and day-to-day operations.

### **Policy Statement for Internal Controls**

The Company is committed to ensuring the adequacy and effectiveness of the Company's system of internal controls. However, such a system must be designed to manage the Company's key exposure areas within an acceptable risk profile rather than eliminating the risk of failure to achieve the Company's objectives. Accordingly, the system of internal controls can only provide a reasonable assurance but not absolute assurance against the material misstatement of management and financial information and records, or against financial losses or fraud.

### **Internal Control Framework**

Staff is required to abide by the ongoing process adopted by the Company for identifying, evaluating and managing the significant exposures faced by the Company and this process includes enhancing the system of internal controls as and when there are changes in the business environment or regulatory framework.

### **Responsibilities**

The Board of Directors is responsible for the adequacy and effectiveness of the Company's system of internal controls.

Board sub-committees have been established to assist the Board in ensuring the effectiveness of the Company's operations and that they are in accordance with corporate objectives, strategy, annual budget, policies and business environment.

The Company's internal audit functions provide comfort on the efficiency and effectiveness of the internal control system. It monitors compliance on policies and procedures and highlights significant findings in respect of non-compliance.

Audits are continuously carried out on the Company and its subsidiaries, the frequency of which is determined by the level of risk assessed. The annual audit plan is reviewed and approved by the Audit Committee.

In assessing the internal control systems, the management of the Company continues to review and update all procedures and controls. Employees are responsible for complying with internal control procedures and reporting any issues or concerns to their supervisors or the appropriate channels.

The Audit Committee is responsible for reviewing any issues pertaining to internal controls as identified by internal auditors, external auditors, regulatory authorities and corporate management and evaluating the adequacy of such internal controls.

## **Training**

This Policy will be supported by training programs, workshops and awareness building for directors and employees to enable them to fulfil their roles and responsibilities under this Policy.

## **Amendments**

This Policy shall be reviewed by the Board of Directors periodically and updated as necessary to reflect changes in the business environment or regulatory requirements.

## **Point of contact**

For clarifications or further information regarding this policy, please contact the Compliance Officer of the Company.