

ENTERPRISE RISK MANAGEMENT POLICY

1. Introduction

The Board regards risk management as an integral part of the Ambest Group Berhad ("Group") business operations and is committed to the development of an effective enterprise risk management framework.

The risk management policy serves as the starting point for the risk management initiative and has been formulated to ensure that risk management becomes a concern for everyone in the Group. It aims to maintain consistent risk management practices throughout the Group, involving employees at all levels within the different business units (i.e. departments, sections, and business center) of the Group.

2. Definition and Purpose

The risk management policy establishes the scope that describe how risks are managed. Risk registers are developed and subject to annual review at Risk Management Committee level. They are subsequently ranked, debated and reported to the Chief Executive Director and Board of Directors and laterally to the Audit Committee of the Company.

The purpose of the risk management policy is to establish an ongoing and consistent process for identifying, assessing, monitoring and reporting of significant risks faced by the business units and ultimately the Group. ERM aims to create a structured and disciplined approach to managing risks across the entire organization, integrating risk management into the strategic planning and decision-making processes. The primary goals of ERM include:

1. **Risk Identification:** Recognize and understand potential risks that could affect the organization's ability to achieve its objectives.
2. **Risk Assessment:** Evaluate the identified risks in terms of their potential impact and likelihood of occurrence.
3. **Risk Mitigation:** Develop and implement strategies to manage, mitigate, or transfer risks, ensuring that the organization is prepared to handle adverse events.
4. **Risk Monitoring:** Continuously monitor the risk environment and the effectiveness of risk management strategies, making adjustments as necessary.
5. **Integration:** Embed risk management practices into the organization's culture and operational processes, ensuring that risk considerations are part of all business activities and decisions.
6. **Value Protection and Creation:** Protect the organization's assets and reputation while also identifying opportunities for risk-taking that can lead to value creation.
7. **Regulatory Compliance:** Ensure compliance with relevant laws, regulations, and industry standards related to risk management.

3. Scope

The primary goals of the Group's risk management policy are to support the overall business objectives of the Group by:

AMBEST GROUP BERHAD

(Registration No.: 202301005265 (1499184-T))

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- Providing strategies, policies and organizational structure for the management risks that the Group assumes in its activities.
- Defining risk management roles and responsibilities within the organization and outlining procedures to mitigate risks.
- Ensuring consistent and acceptable management of risk throughout the business.
- Defining a reporting framework to ensure the communication of necessary risk management information to top management and personnel engaged in risk management activities.

4. Periodic Review

This policy shall be reviewed annually by the Board.