

# **ORGABIO HOLDINGS BERHAD**

Company Registration No. 201801016797 (1278813-M)  
(Incorporated in Malaysia)

## **RISK MANAGEMENT POLICY**

The Risk Management Policy of Orgabio Holdings Berhad (“**ORGABIO**” or “**the Company**”) is to be fully committed to effective risk management, adopting best practices in the identification, evaluation and control of risks, in order to:

- Integrate risk management into the culture of the Company;
- Eliminate or reduce risks to an acceptable level;
- Anticipate and respond to changing social, environmental and legislative requirements;
- Prevent injury and damage and reduce the cost of risk; and
- Raise awareness of the need for risk management.

For the purposes of this policy, risk includes, but is not restricted to, events, actions, omissions, opportunities lost, trends and changes that may prevent the Company from achieving its corporate objectives or successfully implementing its strategies, organisational structures, systems, processes, projects and relationships.

The Policy sets out the key issues to be addressed in achieving the requirements of the Risk Management Policy. The main aspects covered within the policy are:

- Responsibility for Risk Management;
- Approach to Risk Management;
- Resourcing Risk Management;
- Monitoring and Reporting Arrangements; and
- Review of Risk Management Policy.

### **Responsibility for Risk Management**

The Board has a stewardship responsibility to both understand the risks and to guide the Company in dealing with the risks.

The Executive Directors and/or Chief Financial Officer is the officer with overall responsibility for securing adherence to the Company’s policy on Risk Management. This function will be fulfilled by appointment of appropriate staff, delegation of responsibility to existing staff and creation of corporate teams as deemed appropriate.

### **Approach to Risk Management**

The Company’s approach to Risk Management requires that all risks should be systematically identified and managed in the most cost-effective manner within overall resources available and on a timely basis. The following are approaches that the Company should adopt:

- i) To manage risks proactively.
- ii) To manage risk routinely and in an integrated and transparent way.

- iii) To manage risks pragmatically, to acceptable levels given the particular circumstances of each situation.
- iv) To require that all papers that are put to the Board by management relating to strategy, project approval, significant action or investment must include a risk assessment.
- v) To require that an effective and formalised risk management framework is established and maintained by the Company.

A detailed implementation plan may be required to set out how each category of risk is to be covered, the method for dealing with different levels of risk within each category, which considering:

- Top level Corporate Risks;
- High Priority Departmental Risks; and
- Operational risks within all areas.

### **Resourcing Risk Management**

#### 1) Staffing

Every Director and employee is responsible for considering risk implications within all their actions associated with the Company and its subsidiaries (“Group”).

As Risk Management needs to become formalised and embedded within the culture of the Group, appropriate training and awareness sessions are a vital element of successful Risk Management.

#### 2) Information Systems

Information technology will need to be used to its maximum potential in implementing effective Risk Management.

The benefits of acquiring or developing Risk Management database systems as a means of managing risk data and providing meaningful management information should be considered.

### **Monitoring and Reporting Arrangements**

Overall responsibility for monitoring adherence to the Company’s Risk Management Policy rests with the Executive Directors and/or Chief Finance Officer.

The Executive Directors and/or Chief Financial Officer shall report at least annually to the Audit and Risk Management Committee and Board of Directors on the extent to which the Risk Management arrangements to ensure the Policy is being practiced.

### **Review of Risk Management Policy**

The Company will review and assess the effectiveness of this Policy as and when required and any recommendation for revisions shall be highlighted to the Board for approval.

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