

SiS Distribution (Thailand) Public Company Limited

Charter of the Risk Management Committee



SiS Distribution (Thailand) Public Company Limited (“the Company”) recognizes the importance of risk management, which could have a constant impact on business operations. The Board of Directors, therefore, considers appointing a Risk Management Committee to support the Board of Directors in establishing policy and guidelines for comprehensive risk management across the entire organization, covering both existing and emerging risks. The committee will also provide oversight to ensure the existence of systems or processes for risk management, conduct reviews, monitor risk factors and various impacts, and propose recommendations to the Board of Directors for managing the effects on the Company's business appropriately. This is intended to lead to extending opportunities for business growth and enhancing the Company's potential.

The Company through the Risk Management Committee has established this Charter of the Risk Management Committee in accordance with the Enterprise Risk Management guidelines from the Committee of Sponsoring Organization of the Tread way Commission (“COSO ERM”), and relevant criteria, regulations, and laws. This document serves as a guideline for the committee's operations and is subject to an annual review to ensure alignment with pertinent requirements and current circumstances. Proposed revisions are presented to the Board of Directors for consideration and approval.

1. Scope of Responsibilities of the Risk Management Committee

The Risk Management Committee has a crucial role in establishing policy, guidelines, and implementing appropriate measures for managing enterprise risks. Additionally, the committee provides recommendations on risk management to the Board of Directors, ensuring that the Company can operate continuously and in compliance with relevant requirements. The committee is empowered with specific authorities, duties, and responsibilities, as outlined below:

- 1.1 Establish policies, strategies, and frameworks for risk management that align with the Company's vision, mission, and objectives, adequately addressing the various types of significant risks associated with the Company's operations in an appropriate and effective manner.
- 1.2 Develops an appropriate and effective risk management plan and process across the entire organization. Ensure that it aligns with the Risk Management Policy and allows for the assessment, monitoring, and control of the enterprise risks at levels that are both sufficient and acceptable.
- 1.3 Oversee the implementation of risk management measures and regularly evaluate the effectiveness of risk management practices. This includes assessing risks and updating risk management measures and processes to ensure they remain current and appropriate for emerging risk scenarios.
- 1.4 Promotes and advocates for collaboration in overall enterprise risk management, involving employees from all departments within the organization. Review the adequacy of the Risk Management Policy, including the effectiveness of the system and adherence to the policy.



- 1.5 Oversights to ensure adherence to the risk management plan and reviews to verify the disclosure of risk information to regulatory bodies and general investors.
- 1.6 Reports the performance of the Risk Management Committee to the Board of Directors at least twice a year.
- 1.7 Prepares the Risk Management Committee's report and disclose in the Company's Annual Report, in accordance with the requirements of the SET or relevant authorities.
- 1.8 Ensures regular performance assessment for the overall Risk Management Committee and individual self-assessments are conducted annually.
- 1.9 Reviews the Charter of the Risk Management Committee annually to ensure their appropriateness in light of any changes in the business environment or relevant requirements.
- 1.10 Performs any other duties as assigned by the Board of Directors with the approval of the Risk Management Committee within the scope that does not exceed the authority of the Risk Management Committee.
- 1.11 Has the authority to engage external advisors or other professional experts to seek opinions, advice, or assistance in carrying out the duties of the Risk Management Committee or any other tasks necessary and relevant, and the associated expenses shall be borne by the Company.

2. Composition of the Risk Management Committee

The Risk Management Committee shall comprise of followings:

- 2.1 The Risk Management Committee is appointed by the Board of Directors or the shareholders' meeting
- 2.2 The Risk Management Committee comprises of at least 2 directors, along with a representative from the Management. One of the directors shall serve as the Chairman of the Committee.
- 2.3 The Risk Management Committee elects the Chairman of the Risk Management Committee, considering thoroughly the qualifications to instill overall effectiveness of the Risk Management Committee.

3. Qualification of the Risk Management Committee

- 3.1 Be a director who possesses all the qualifications in accordance with the criteria set by the SET, the SEC, and relevant laws.
- 3.2 Be integrity, honesty and performs duties fairly. This includes advocating sufficient time and opinions for performing the duties as a member of the Risk Management Committee.
- 3.3 Possesses relevant knowledge, skills, and experiences, along with an understanding of the duties and responsibilities involved in overseeing risk management.
- 3.4 Able to fulfill duties, express opinions, and report on performance in accordance with the responsibilities assigned by the Board of Directors.
- 3.5 The Risk Management Committee should not hold the position of director in more than 5 listed companies as it may impact their ability to fully perform duties in any one company.



4. Terms of Office of the of the Risk Management Committee

- 4.1 The Risk Management Committee members will retire upon completing their term as the Risk Management Committee or upon completing their term as a director of the Company.
- 4.2 The Risk Management Committee members have a term of office for not more than 3 years or in accordance with their term of being a director of the Company. However, the retiring director is eligible for re-election as approved by the Board of Directors or at the shareholders' meeting.
- 4.3 In addition to the above retirement, the Risk Management Committee member will retire when:
 - 4.3.1 Death
 - 4.3.2 Submit a resignation letter to the Board of Directors, effective from the date the resignation letter reaches the Company.
 - 4.3.3 Fails to meet the qualifications of the Risk Management Committee member as stipulated in this charter.
 - 4.3.4 Fails to meet the qualifications to serve as a director according to the criteria of the SET, the SEC, or relevant laws.
 - 4.3.5 The Board of Directors has passed a resolution to remove them from their position. This resolution required at least three-fourths (3/4) of total members presented at the Board of Directors' meeting.
 - 4.3.6 Sentences to imprisonment as stipulated in the judgment, or as ordered by law to serve a prison term, except for offenses committed with negligence or misdemeanor.
 - 4.3.7 Considered by the court to be incompetent or quasi-incompetent.
 - 4.3.8 Considered by the court to be bankrupted.
- 4.4 In the event that the Risk Management Committee member wishes to resign before completing their term, he/she must provide advance notice to the Company, not less than 30 days, by submitting a formal letter of resignation to the Chairman of the Board of Directors, providing reasons for the resignation.
- 4.5 In the event that the Risk Management Committee member vacates their position before completing their term or for any other reason that renders them unable to continue, the Board of Directors must appoint a qualified person to serve as a new member of the committee within 90 days from the date the committee falls below the required composition as per this charter. The Board of Directors may choose not to appoint a new member if the term of such vacancy is less than 2 months. The newly appointed members will serve for the remaining term of the Risk Management Committee members they replace.

5. The Risk Management Committee Meeting

The Risk Management Committee shall hold the meeting in compliance with the following requirements:

- 5.1 Arranges the meetings as appropriate but not less than twice a year to establish guidelines for risk management effectively and adequately including consider relevant matters according to duties and responsibilities of the committee.
- 5.2 A meeting shall be deemed quorate when at least half of the total number of the Risk Management Committee members are present.



- 5.3 The Risk Management Committee members may participate and cast votes in meetings through electronic means or other appropriate channels. The secretary at the meeting recording the minutes shall document such proceedings in the meeting report.
- 5.4 In the event that the Chairman of the Risk Management Committee is absent or unable to fulfill their duties, the Risk Management Committee members present at the meeting shall elect one member to act as the temporary Chairman.
- 5.5 Resolution of the Risk Management Committee shall be made by majority vote. Each Risk Management Committee member has one vote, except for any member who has a vested interest in a particular matter, will not be allowed to vote on that matter. In case of a tie, the Chairman of the meeting has the authority to cast an additional vote to break the tie, and this additional vote is considered a deciding vote.
- 5.6 The Risk Management Committee may appoint a person to serve as the secretary of the committee to assist in coordinating meetings, preparing meeting agendas, distributing meeting documents, and recording meeting minutes. Alternatively, the committee may designate a Company Secretary or the Financial Controller to act as the secretary of the Risk Management Committee.

6. Remuneration for the Risk Management Committee

The Remuneration and Nomination Committee is responsible for considering and determining the remuneration of the Risk Management Committee members as deemed appropriate, subject to approval by the Board of Directors and the shareholders' meeting. In the absence of a Remuneration and Nomination Committee, remuneration shall be considered by the Board of Directors.

This Charter of the Risk Management Committee has been approved by the Board of Directors in the Board of Directors' meeting of No. 6/2024 held on December 13th, 2024.

The Thai version of this document shall be regarded as the official version, with the English version provided solely as a translation from Thai. In the event of any conflict or discrepancy between the two languages, the Thai version shall prevail.

This Charter shall be effective from January 1st, 2025.

(Mr. Lim Kiah Meng)
Chairman