



RISK MANAGEMENT POLICY STATEMENT

TDM Berhad and its subsidiaries (“The Group”) remains committed to meeting its vision and objectives, it is crucial to possess the capability of managing risks to an acceptable level for the achievement of its visions and objectives respectively. Effective risk management practices will enhance the Group’s visibility on its strategic and operational challenges as well as the available opportunities. Consequently, enhances the Group’s capabilities to respond to the changing operating environment and make better decisions.

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

The key policies of the Board for effective Risk Management are:

1) **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 altogether. A cost-benefit approach is needed where the returns must be commensurate with the risk taken and reduce the cost of risk controls.

2) **To require that all papers submitted to the Board by Management relating to strategy, key project approval; significant action or investment must include key risk factors and risk management strategy.**

All papers submitted to the Board, either for the purpose of obtaining approval or for notification / information should include risk information. The risk information provided shall be comprehensive to facilitate meaningful discussion and decision-making by the Board.

3) **To implement a robust and sustainable ERM framework in organization.**

The Board recognizes that a structured and consistent ERM Framework is instrumental for the organization to deploy its strategies effectively.

These policies will be achieved via: -

- 1) Periodic reporting to the Board on ERM activities and keep the Board apprised and advised of all aspects of ERM and significant individual risks and risk trends;
- 2) Provision of adequate and suitable resources, including tool(s) and manpower to ensure the ERM framework and system are operating effectively;
- 3) Provision of adequate education and communication to ensure staff comprehend the requirements, benefits, and their roles and responsibilities for risk management;
- 4) Maintaining documented risk information (via risk registers and risk action plans) and procedures for the control, monitoring and reporting of risks;
- 5) Including ERM as one of the meeting agenda in Management Meetings to cultivate the culture of proactively identifying and responding to changes in risk exposure or emerging risks; and
- 6) Formation of risk assessment for key investments or projects and for RMD or selected staff from the company (internal) or external to carry out risk assessment before the approval of the investments or projects and initiatives.

This policy was approved by the Board of Directors of TDM Berhad on 27th February 2025.