



S.R.T. Electrified Train Company Limited announcement

Enterprise Risk management Policy (ERM)

1. Introduction to Enterprise Risk Management (ERM)

The Enterprise Risk Management (ERM) policy has been developed to provide a comprehensive framework for identifying, assessing, and managing risks that could impact the operational efficiency and reputation of the S.R.T. Electrified Train Company Limited, which is a leading company in train operations and maintenance.

The purpose of the policy is to ensure that risks are managed effectively in accordance with the strategic objectives of the company and that all employees are aware of their roles and responsibilities in this process.

2. The scope of Enterprise Risk Management (ERM)

The policy applies to all activities, duties, and operations of the S.R.T. Electrified Train Company Limited. Employees, contractors, and all stakeholders must adhere to the policy.

3. Definition

“The Company” means to the S.R.T. Electrified Train Company Limited;

“Board of Directors” means to the Board of Directors of the S.R.T. Electrified Train Company Limited;

“Chief Executive Officer” means to the Chief Executive Officer of the S.R.T. Electrified Train Company Limited;

“Executive Employees” means to individuals who are employed by the S.R.T. Electrified Train Company Limited on a monthly salary basis and hold positions such as Deputy Chief Executive Officer, Assistant Chief Executive Officer, Department Director, Deputy Department Director, Division Manager, Section Manager, in hierarchical order, excluding the Chief Executive Officer;

“Employee” ...

“Employee” means to an individual who is employed by the S.R.T. Electrified Train Company Limited on a monthly salary basis, excluding the Chief Executive Officer and executive-employees;

“Temporary employee” means to a project worker or contract employee who works for the S.R.T. Electrified Train Company Limited on a project basis or for a specific job, with a defined work duration and/or monthly and/or annual terms;

“Risk” means any event or action that may occur under uncertain circumstances and could have a negative impact, causing financial or non-financial damage to the company, such as affecting the company's image and reputation, or causing failure or reducing the opportunity of achieving the company's vision and mission objectives;

“Enterprise Risk Management” means to the process carried out by board of directors, Chief Executive Officer, executive employees, all employees, and temporary employees to help analyze and anticipate potential events or risks, as well as to define strategies or approaches to manage these risks to an acceptable or appropriate level, ensuring reasonable confidence in achieving the organization's set objectives;

“Risk Assessment” means the process of identifying and prioritizing existing risks by evaluating their likelihood of occurrence and impact. Risks can be assessed based on both external and internal factors within the company;

“The likelihood of an event occurring” means to the frequency or probability of a risk event occurring;

“Impact” means to the magnitude of severity or damage that would occur to the company if a risk event happens;

“Risk Level” means to the status of risk obtained from assessing the likelihood and impact of each risk factor, divided into three levels: high risk, medium risk, and low risk;

“Control Activities” means to the definition of various activities and practices performed to reduce risk and ensure operations achieve the company's objectives and targets. For example, defining operational processes related to risk management for personnel within

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the company to ensure that the risks can be managed correctly and in line with established goals;

“Risk Owner” means to executive employees, employees, or assigned individuals who are responsible for performing duties in processes that may pose risks, or those who are directly in contact with the risk and have the capability to manage and mitigate that risk;

“Risk Factor” means an occurrence or details of an event that indicate the source of the risk;

4. Enterprise Risk Management Philosophy

The company is committed to taking a proactive and systematic approach to risk management that is consistent with best practices and standards in public rail transport. The Company believes that effective risk management is an essential part of the Company's daily operations and decision-making processes and are critical to achieving strategic goals and protecting assets, reputations, and stakeholder interests.

5. Objectives of Risk Management

The main objectives of the company's ERM policy are:

a. Identify and assess risks that may impact the achievement of strategic objectives and the operational efficiency of the company.

b. Develop appropriate risk mitigation strategies and controls to minimize the likelihood and impact of identified risks.

c. Establish clear lines of responsibility for risk management activities and ensure that all employees are aware of their roles and responsibilities.

e. Monitor, review, and report on the effectiveness of risk management processes and controls continuously.

6. Risk management Policy

The company is committed to enterprise risk management (ERM) to prevent issues that could impact safety, stakeholder interests, reputation, customer satisfaction and service level, and budget. It continuously develops systems and adheres to relevant laws and regulations.

1. The Company intends to conduct enterprise risk management (ERM) according to the international standard framework for enterprise risk management (ERM), which consists of planning, implementing, monitoring, reviewing, maintaining, and improving. It covers the main activities and activities that support the organization's core business.

2. The company will provide at least annual training on enterprise risk management (ERM) to ensure preparedness, understanding of the context of responsibilities, and to foster a consciousness in managing enterprise risks (ERM) among executives, employees, and/or relevant personnel on a consistent and regular basis.

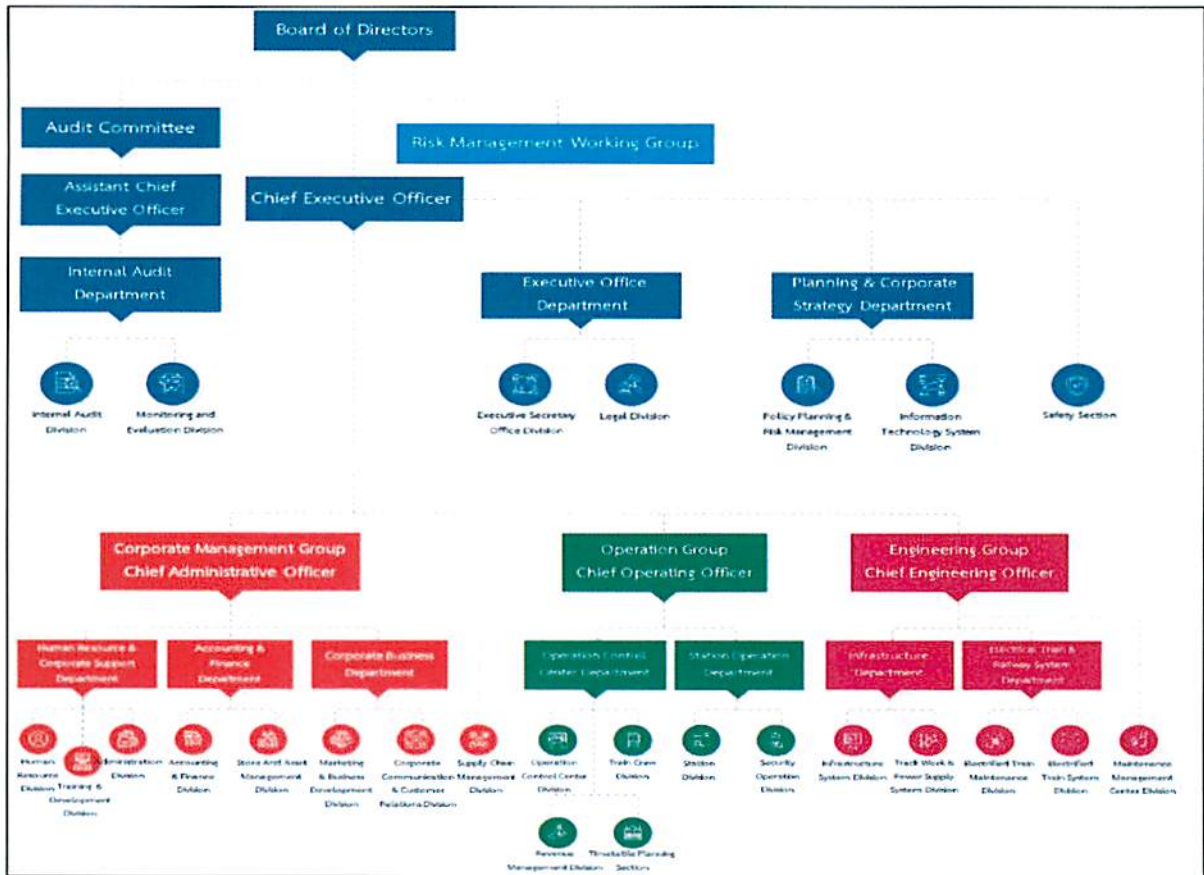
3. The company will oversee the enterprise risk management (ERM) system, ensuring that operations are audited at least once a year in accordance with the enterprise risk management processes. This is in line with the plan for risk monitoring and audits, aimed at continuous development and improvement.

4. The company considers enterprise risk management (ERM) to be the responsibility of every employee and requires cooperation in compliance with the enterprise risk management (ERM) policies to embed the ERM system as part of the organizational culture, enabling the organization to operate continuously and efficiently.

The mentioned enterprise risk management (ERM) policy will be communicated to all relevant employees throughout the organization, to ensure that employees understand, implement, maintain, and sustain it indefinitely.

7. Risk ...

7. Risk Management Structure and Responsibilities



Responsibilities ...

Responsibilities according to the risk management structure.

Committee/Department	Roles and Responsibilities
Board of Directors	<ol style="list-style-type: none"> 1) Understand the risks that could have a severe impact on the organization and ensure that appropriate actions are taken to manage those risks. 2) Consider establishing a risk management policy and ensure that there are systems for risk management and internal controls, including oversight mechanisms for effective and efficient monitoring and auditing.
Audit Committee	<ol style="list-style-type: none"> 1) Review the adequacy of the internal control system and internal audit system, including the review of the efficiency of the system operations and compliance with laws, rules, regulations, and company announcements, as well as the follow-up actions of the management, which includes the rewards and penalties of those involved in compliance or non-compliance with laws, rules, regulations, and announcements. 2) Inquire about the level of significant risks and the risk management methods to reduce them from the management, internal audit, and auditors. 3) Report to board of directors about the effectiveness and efficiency of internal controls.
Risk Management Working Group	<ol style="list-style-type: none"> 1) Establish strategies and approaches for managing the risk of each responsible division to align with the risk management policy, enabling the assessment, monitoring, and managing of the company's risk volume to an appropriate level. 2) Define the risk appetite that the company can accept, aligning with the organizational context. 3) Study risk data and statistics at both the national and regional levels and consider such risk issues.

Committee/Department	Roles and Responsibilities
	<ol style="list-style-type: none"> <li data-bbox="616 331 1419 533">4) Provide information on risks occurring in the same business sector, identifying any business risk issues, and delegate the risk management working group to further address these issues. <li data-bbox="616 555 1392 589">5) Set criteria for the level of risk the company can accept. <li data-bbox="616 611 1419 701">6) Determine measures that will be used to manage risk appropriate to the situation. <li data-bbox="616 723 1419 813">7) Implement risk management measures to ensure they are in line with the set objectives. <li data-bbox="616 835 1419 1037">8) Oversee and support the operation of enterprise risk management and stakeholder management to be consistent with business strategies and goals, as well as changing situations. <li data-bbox="616 1059 1419 1205">9) Support the risk management working group in terms of personnel, budget, and other necessary resources to match the scope of responsibility. <li data-bbox="616 1227 1361 1261">10) Contribute to improving the risk management system. <li data-bbox="616 1283 1419 1429">11) Communicate to the relevant employees and internal organization about the risk management plan and the results of risk management for each phase. <li data-bbox="616 1451 1419 1709">12) Participate in bi-annual meetings to review the results of risk management, separating meeting agendas about operations, the risk status of each division, and any changes, including what needs to be improved or adjusted to align with the policies and strategies set. <li data-bbox="616 1731 1419 1877">13) In cases where risks cannot be reduced to an acceptable level, the risk management working group should consider developing a business continuity plan.

Committee ...

Committee/Department	Roles and Responsibilities
Chief Executive Officer	<ol style="list-style-type: none"> 1) Monitor significant risks across the organization and establish measures or risk management plans to ensure that there are appropriate risk management plans in place. 2) Promote risk management policies and support the implementation of risk management processes throughout the organization.
Executive employees	<ol style="list-style-type: none"> 1) Monitor significant risks across the organization and define measures or risk management plans for the departments under their responsibility to ensure that there are appropriate risk management plans in place. 2) Oversee that the operations within the responsible department have adequate risk assessment, risk management, and risk reporting. 3) Promote awareness of the importance of risk management among the department's personnel and ensure it is integrated into the regular workflow. 4) Cooperate as the Risk Owner in the mission of the Policy, Planning, and Risk Management Department, Internal Audit, to oversee and monitor the implementation according to the risk management plan.
Employees and temporary Employees	<ol style="list-style-type: none"> 1) Identify and report risks associated with their job responsibilities, assess these risks, and report them to their supervisors in the hierarchy. 2) Participate in the development of risk management plans and implement these plans.
Policy Planning & Risk Management Division	<ol style="list-style-type: none"> 1) Develop and review risk management policies, plans, and processes, and present them to the risk management working group for consideration and approval before submitting them to the company's board of directors for final approval.

Committee/Department	Roles and Responsibilities
	<ul style="list-style-type: none"> 2) Promote and support all departments in implementing risk management according to the policy and the risk management plan approved by the company's board of directors. 3) Create and review tools and methods to support effective risk assessment. 4) Analyze and evaluate the adequacy and appropriateness of the risk management processes and propose ways to review the risk management processes. 5) Conduct at least an annual review of the risk management manual.
<p>Quality Management System Internal Auditor</p>	<ul style="list-style-type: none"> 1) Review the operational processes, risk management processes, procedures, and the oversight provided and carried out by the management to ensure they are adequate, effective, and efficient. 2) Report significant issues related to risk management findings, including suggestions for improving processes in activities, to the risk management working group. Monitor and compare the results of risk management to propose recommendations for improvements and developments to the risk management working group.

Announced on the date of 08 December 2023



(Mr. Sutep Punthupeng)
Chief Executive Officer