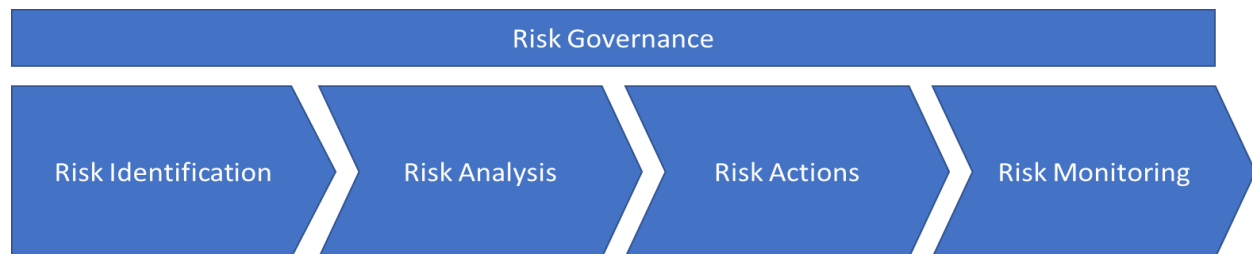


### **BPPL Holdings PLC – Policy on Risk Management and Internal Controls**

BPPL Holdings PLC ("BPPL") operates businesses which are subject to changes and complexities arising from a multitude of external factors. BPPL's businesses are exposed to global economic factors, interest rates as well as potential geo-political impacts, and industry specific risks.

Accordingly, it is imperative that the Company and its subsidiaries identify all the key external factors, trends and opportunities as well as threats that will directly influence the implementation of the strategic plan of these business segments. BPPL has put in place a structured process to identify the external as well as internal risks, and action plans have been developed to effectively mitigate the impact from these risks.

A high-level overview of the risk assessment process for BPPL is shown below:



The Board is ultimately responsible for approving the risk policy, reviewing the effectiveness of the risk management process and monitoring any changes to the identified risk levels, and the effectiveness of the action plans implemented to mitigate these risks.

- The risk management process has to be robust enough to identify any changes in external risks or its impact and ensure swift actions are taken.
- Risks may be identified across different risk categories including financial, operational, safety, reputation, technological, environmental, strategic, and compliance related.

The Board Audit Committee has been entrusted with the responsibility to overseeing the effective implementation of the risk management process.

- The movement in the identified risks in terms of its impact and likelihood is monitored frequently, and is discussed at the quarterly meetings of the Audit Committee.

The management is responsible to ensure any changes to impact levels of the identified risks are communicated to the audit committee in a timely manner, together with the action plans being taken.



## Policy on Risk Management and Internal Controls

- The risk management process includes a periodic risk assessment and is part of the business planning cycle and integrated into regular management activities.
- The objective of the risk assessment process is to identify and assess the material uncertainties and risks that could affect the achievement of BPPL's strategic objectives, and the controls that are, or need to be put in place to manage the risks.

The action plans to mitigate the identified risks are integrated as part of the operating business plans of the relevant segments, and the internal audit team is entrusted with the task of reviewing and reporting the implementation of these plans.

### Internal Control Framework

The risk management process is complemented by a structured internal audit and control process, whereby internal process related controls are monitored and evaluated on a routine basis. The Company has identified the key internal processes where control weaknesses will impact the ability to meet its objectives, and impact the integrity of the financial reporting framework.

The dedicated Internal audit function of the Company is entrusted with the task of carrying out routine internal audits in line with the internal audit cycles approved by the Board Audit committee, and to facilitate the management to improve the processes by identifying internal control related weaknesses and lapses.

- The internal audit reports are to be presented to the Audit committee for deliberation together with proposed time bound action plans for rectification.
- The Audit committee is provided the mandate to call for any additional information and reports as it deem necessary to ensure an effective internal control and reporting framework exists.
- The internal auditor is responsible to the audit committee to report on matters that he / she considers as warranting escalation, taking into account its impact on financial performance and / or the reporting framework.