



# Risk Management Policy



## Introduction

The environment in which Bangkok Airways operate is subject to a wide range of risk, and the company recognises the need for adequate management of risk. This Risk Management Policy forms part of the systematic risk management and good corporate governance at Bangkok Airways.

This policy is intended to define the risk management framework within which all functions are expected to operate, in accordance with the good corporate governance principles. It explains the roles and responsibilities of different elements of the organisation, outlines key expectations of the risk management process, and serves as a basis for further risk management guidelines.

Board of Director and top management should review this policy on an annual basis to ensure its alignment with the Company's strategic objectives.

## Objectives and Scope of the policy

Bangkok Airways Public Company Limited ('Bangkok Airways' or 'the Company') recognises that risk is inherent to its business and effective management of risk is vital to delivering on our objectives, our success and our continued growth. This policy aims to provide a consistent framework for managing the risks of the Company in accordance with good Corporate Governance principles.

The scope of this policy is Company-wide—applicable to all of the Company's business operations and activities, and to the Board of Director ('the Board'), management and employees. The foundation of this policy is based on the corporate strategy, supporting operating plans of the Company and the applicable laws and regulations of the countries in which the Company operates.

## Definition of Risk

Risk is defined as the possibility that an event will occur and adversely affect the achievement of objectives.

## Risk management principles

It is the Policy of the Company:

- To manage our obligations and to pursue opportunities involving an acceptable degree of risk, so as to achieve our commercial and operating objectives and to fulfil the expectations of our stakeholders. Our policy is to give consistent consideration to



the balance of risk, compliance and commercial implications.

- To set business strategies that are consistent with the company's appetite for risk as approved by the Board.
- All risks to the achievement of the corporate strategy, including risks at the functional levels, will be:
  - identified in a timely manner
  - assessed with regard to the possible likelihood of events occurring and the impact if they were to occur
  - responded to in a manner that is consistent with the company's risk appetite and tolerances and that has regard to the associated costs and benefits of the response
  - mitigated through the application of control activities that are designed to provide reasonable assurance that the company is protected against unacceptable loss, and
  - monitored so as to ensure that the company's risks continue to be appropriately managed.
  - communicated to all the relevant persons to ensure that the company's risks are aware, responded and managed appropriately and in a timely manner.

### **The adoption of this policy**

The adoption of this policy is the responsibility of the Board through the President of the Company. The President will be responsible for implementing the policy and monitoring its ongoing application. The audit committee and the company's senior management will have the responsibility for supporting the President's obligations in all business units and relevant forums. The implementation of the policy will include the establishment of guidelines for management and employees on risk management processes and providing sufficient resources to enable this policy to be implemented satisfactorily.

### **Roles and responsibilities**

- The Board is accountable for overseeing the effectiveness of the risk management system and actively reviewing of risk-reward balance within strategic plans and integrity of risk management systems.



- The audit committee is entrusted by the Board to assist in fulfilling its obligations regarding risk management. The delegated responsibility is to oversee and advise on the risk management practices. The committee also monitors risk registers for alignment with approved risk appetite and strategy.
- Management is responsible for the implementation of the risk management policy and framework, and continuously monitors the management of risk with the support of the audit committee in order to provide assurance across all areas of business.
- Employees are also expected to comply with the Company's risk management policy and framework. They must be able to identify and manage risk in their own areas of responsibility.
- The risk and compliance division is responsible for supporting the implementation of the risk management framework throughout Bangkok Airways. It works alongside business units by providing independent risk-based advice and guidance notes. It is also responsible for the continual improvement of the risk management framework.
- Internal audit provide independent review, monitor and test that all business units comply with risk policies and framework.
- The management of risks is the responsibility of everyone working in the business.

### **Exceptions to the policy**

In situations where management believes that any aspect of the policy is inappropriate for application, the matter must be referred to the Board for consideration in advance of any commitment being entered into by the company.

### **Policy maintenance**

This policy and the underlying procedures will be reviewed annually to ensure its continued application and relevance. A periodic and independent review of the adoption and effectiveness of this policy will be undertaken to provide feedback to the Board to facilitate continuous improvement. Any change in risk management policy must be presented to the Board by the audit committee for the approval.

