

## **POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS**

### **Purpose**

This policy establishes a comprehensive and proactive risk management and internal control framework to protect the company against potential threats while fostering informed decision-making across Panasian Power PLC.

Internal guidelines and processes shall be implemented to align with the provisions of this Policy.

### **Applicability**

This policy is applicable to all directors and employees of Panasian Power PLC.

### **Effective date**

26 September 2024

### **Oversight**

The Board Audit Committee (BAC) oversees the policy on Risk Management and Internal Controls at Panasian Power PLC.

### **Implementation**

The Chief Executive Officer (CEO) provides decisive leadership in implementing internal controls to effectively manage and balance risks and opportunities within the organization.

### **Risk management and internal controls**

This policy outlines the processes for identifying, assessing, and mitigating key risks, aimed at ensuring financial stability, regulatory compliance, operational efficiency, and maintaining stakeholder trust. It also defines PAP's internal controls, which consist of a series of processes, policies, and procedures designed to ensure reliable financial reporting, manage and mitigate critical business risks, adhere to legal and regulatory requirements, and enhance both operational effectiveness and efficiency.

### **Review and modifications**

This policy will be updated as needed, and ensure alignment with all relevant disclosure requirements. The updated policy shall then be reviewed annually by the Board of Directors on the recommendations of the Board Audit Committee.