Announcement of the Board of Directors

No. 1/2563

Subject Risk Management Policy

In order to comply with the resolutions of the Board of Directors at the meeting No. 3/2020 dated May 15, 2020, the Company therefore issued an announcement regarding Risk Management Policy to be regarded as principles and guidelines as follows:

1. Introduction

Risk is an uncertain and undesirable event. If such event occurs, it will cause damage and affect the operations of the Company, preventing the Company from achieving its strategy, objectives or goals. The Company has therefore implemented risk management to control risks to be within its risk appetite level. Risk management is a part of good corporate governance, and so the Company has established its risk management policy.

2. Principles

Civil Engineering Public Company Limited and its group companies ("**Company**") is committed to good corporate governance by applying the principles of Enterprise Risk Management (ERM) in accordance with the risk management framework guidelines of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), which is an international standard risk management approach, as a guideline for the Company's risk management. The Board of Directors, executives, and employees at all levels must apply the policy in their daily practice appropriately and realize their responsibility to comply with the risk management policy for efficient and effective risk management.

3. Risk Management Policy

The Company recognizes the importance of enterprise risk management which will enable the Company to achieve its business strategy, objectives or goals and achieve good corporate governance as well as stable and sustainable growth. Therefore, the Company has

established a risk management policy to be used as a guideline and framework for all operations of the Company as follows.

3.1 Roles, Duties and Responsibilities in Risk Management

Risk management is the duty of all personnel of the Company at all levels, including those acting as consultants, agents, or those assigned to act on behalf of the Company with the roles and responsibilities as follows.

1) Board of Directors

    (1) Understand the risks that may have a severe impact on the Company.

    (2) Support, promote, oversee risk management, and approve risk management policies and solutions when risks arise.

    (3) Take action to ensure that the Company has adequate and appropriate risks management that may have severe consequences.

2) Audit Committee

    (1) Oversee and monitor risk management independently

    (2) Set up internal controls to ensure that the Company has adequate and appropriate risk management throughout the organization.

    (3) Communicate with the risk management team and relevant departments to understand the key risks related to internal control and internal audits.

3) Senior management

    (1) Monitor significant risks across the Company.

    (2) Ensuring that the Company has an adequate risk management department.

    (3) Promote, support, implement risk management policies, and ensure that risk management processes are implemented throughout the Company.

4) Risk Management working Group

    (1) Prepare risk policies, guidelines, and risk management processes for departments and propose them to the Board for consideration and approval.

    (2) Study and educate employees regarding risks and risk factors.

    (3) Coordinate, provide support, promote, and recommend risk management processes to the various units of the Company.

    (4) Perform duties as assigned by the Board.

5) Person responsible for risk management of the department

    (1) Set up a framework and process for risk management of the department and propose to the Board for approval.

    (2) Support and follow up on the implementation of risk management of the departments in their responsibilities.

    (3) Promote and motivate employees to realize the importance of risk management.

6) Supervisors and employees

    (1) Identify, measure, control, monitor risks, and report operation-related risks to those responsible for the department's risk management.

    (2) Jointly formulate a risk management plan and implement the plan.

7) Internal auditor

    (1) Ensuring that the Company has applied a risk management system appropriately and it is being practiced throughout the Company.

    (2) Ensuring that the Company has internal controls that are adequate and appropriate for risk management and that internal controls are effectively followed.

    (3) Review of risk management practices.

    (4) Communicate with management and the persons receiving the audit about risks in order to plan risk-based auditing.

8) Other relevant persons
   (1) Cooperate and comply with the Company's risk policies, guidelines, and risk management processes.

3.2 Risk Management Procedures

The Company has defined risk management procedures consisting of eight steps as follows:

(1) Setting Strategy and Objectives.

In the operation of all departments including the operators, risk management strategies and policies should be established in order to control the risks to be within the risk appetite level and consistent with the business objectives and goals in accordance with international standards.

(2) Identifying Risks

Persons in charge of the department and operators should understand the risks, risk factors, and identify potential risks that could be both positive and negative to the achievement of objectives.

(3) Assesses Severity of Risk

Persons in charge of the department and operators should assess risks from two dimensions, namely the likelihood and the severity of the impact.

(4) Prioritize Risks

Persons in charge of the department and operators should prioritize and expedite risk management. The high-risk activities that are important to the operation in achieving the strategies and objectives should be given the first priority in risk management, and high-risk activities of secondary importance should be given the next priority in risk management, provided that the Company manages the risk to be within its risk appetite level or risk tolerance

(5) Implementing Risk Responses

Persons in charge of the department including operators should consider effective and efficient risk management methods taking into account risk appetite, costs incurred and potential benefits. In responding to risks, one or a combination of methods may be chosen to reduce the likelihood of an incident and the severity of its impact.

- Avoid
- Share/Transfer
- Reduce
- Risk Acceptance

(6) Develops Portfolio View

Persons in charge of the department including operators should develop risk management by integrating risk factors, risks, and interrelated relationships of various departments to form a database for joint risk management.

(7) Review and Revision

Persons in charge of the department including operators should implement risk monitoring, review risk management results, and remediate risk management to ensure that risk management is applied in all levels of the Company appropriately and risks that have a significant impact on the achievement of the Company's objectives are reported to the responsible persons.

(8) Reports on Risk, Culture, and Performance

Persons in charge of the department including operators should establish a communication of information about risks among each other and regularly report on risk management to the Board of Directors.

This policy requires a regular review at least once a year or when there is a change in situations.

From the date of May 15, 2020, onwards.

Announced on May 15, 2020.

(Signed)

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(　　Mr. Chaiwat Utaiwan　　)

Chairman of the Board