



AUTOCOUNT DOTCOM BERHAD

Company Registration No. 202201006885 (1452582-U)

Risk Management and Internal Control Framework

Board Responsibility

The Board affirms its overall responsibility for maintaining a sound system of risk management and internal control of the Group to ensure its business operations are running effectively and efficiently, in compliance with laws and regulations as well as internal procedures and guidelines.

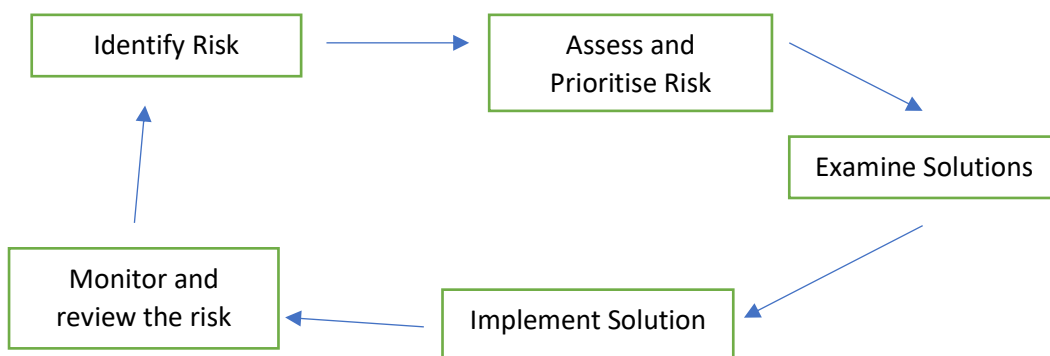
Risk Management System

The Board believes that proactive risk management can avoid or mitigate significant losses, comply with new regulatory requirements and international best practices, provide a growing need to optimize economic capital and measure performance, and provide protection and enhancement of stakeholders' and shareholders' value.

The Group has outlined the risk governance structure with reference to the International Standard of ISO 31000 (Risk Management – Principles and guidelines) and the Malaysian Standard of MS ISO 31000. It has established systematic processes for the identification, assessment, communication, monitoring, and continual review of risks and effectiveness of risk management strategies and controls implemented at the respective entity and operational levels.

The risk management process implemented within the Group shall define, evaluate, highlight, report and manage the critical business and operational risks faced by the Group and are applied to all companies and entities within the Group to establish accountability for risk identification and mitigation at the sources of risk.

The risk management process adopted by the Group can be outlined as follows:



The Board is responsible for setting the strategic direction for risk management, including roles and responsibilities relating to risk management as well as risk reporting structures and protocols of the Group.

The Board's risk oversight role is assisted by the Audit and Risk Management Committee ("ARMC"), inter-alia determining the Group's risk appetite and tolerance, monitoring the implementation of risk management policies, reviewing risk management structures, frameworks and practices, determining the risk exposures of the Group and ensuring adequate infrastructure and resources are in place for effective risk management.

Internal Control System

The Board understands the importance of a sound internal control system designed to manage and mitigate risks that may impede the Group from achieving its business objectives.

As the Group's internal control system is embedded within its operations, ARMC is responsible for regular review of the Group's internal control system to ensure it is vital to maintaining a sound and effective internal control system.

ARMC also has to ensure the Group maintains such a system of internal control that promotes corporate governance and operational agility as well as provides continuous compliance with applicable laws and regulatory requirements.

Key elements of the internal control system established by the Board that provide effective governance and oversight of internal controls include:

- **Group Organisation Structure**
With clearly defined lines of responsibility, authority limits and accountabilities aligned with business and operations requirements to support the maintenance of a robust control environment
- **Oversight by the Audit and Risk Management Committee (ARMC) of the Board**
ARMC is responsible for assessing the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit (IA) function. Also responsible for periodically reviewing independence, scope of work and resources of the IA.
- **Information and Communication**
Relevant and quality information is disseminated among members of the Board, Board Committees and Senior Management in accordance with established reporting lines across the Group to maintain transparency and facilitate appropriate deliberation and decision-making.