

Beta Glass Plc

Risk Management Policy and Procedure

Policy Number:

Responsible Person:

Approved by the Board on: 24th day of March, 2022

1 Purpose

To provide information and guidance on Risk Management

2 Scope

This Policy applies to all Company's directors, employees, visitors and contractors to facilities controlled by the Company.

3 Policy owner

The overall management and monitoring of risk management policy and procedure of the Company is responsibility of the Managing Director along with the management team. The Company's Chief Financial Officer will still have oversight over the risk management program for the Company. The Company's risk management program and management are to be reported periodically to the Board through the Board Risk and Audit Committee (BRAC) of the Board.

4 Recognition of the need for risk management

The Company recognises the need for risk management to feature as a consideration in strategic and operational planning, day-to-day management and decision making at all levels in the Company.

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5 Commitments to risk management

5.1 A commitment to implement risk management

The Company is committed to managing and minimising risks by identifying, analysing, evaluating and treating current and potential exposures that may impact on the Company achieving its objectives and maintaining sufficient liquidity, as well as, the continued efficiency and effectiveness of its operations. The Company will incorporate risk management into its institutional planning and decision-making processes.

5.2 A commitment to training and knowledge development in the area of risk management:

The Company is committed to encouraging that all staff, particularly those with management, advisory and decision-making responsibilities, obtain a sound understanding of the principles of risk management and the requisite skills to implement risk management effectively.

5.3 A commitment to monitor performance and review progress in risk management:

The Company will regularly monitor and review the progress being made in developing an appropriate culture of risk management and the effective implementation of risk management strategies throughout the organisation as a basis for continuous improvement.

6 Aims of the Risk Management Policy

The Company, in its need for risk management, aims to:

- facilitate and review risk management activities across the Company;
- integrate risk management into the management culture of the Company; and
- ensure that performance in risk management is a consideration in the Company's performance management systems.

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8 Effective Management of Risk

Risks are effectively managed by the Company through the effective implementation of various controls, which include:

- Risk Committee approved risk management framework;
- Documented policies and procedures;
- Maintenance of risk registers;
- Implementation of risk based systems and processes;
- Ongoing monitoring of regulatory obligations;
- Project plans to record actions; and
- Internal and external reporting.

9 Risk Management methodology

The methodology adopted by the Company for managing and treating its risks can be defined as follows:

- a. Document an Enterprise risk management framework and Risk register
- b. Identify the general activities involved in running the business and categorise risks
- c. Identify the risks involved in undertaking the specific business activity.
- d. Rate the likelihood of the business activity not being properly performed. It should be assessed as either Almost Certain, Likely, Possible, Unlikely and Rare.
- e. Rate the consequence of not properly performing the business activity. It is assessed as Catastrophic, Major, Severe, Serious and Minor.
- f. Assign the inherent risk rating based on a combination of the risk rating. Low and medium risks may be considered acceptable and, therefore, minimal further work on these risks may be required. The rating may be assessed as Critical, High, Significant, Medium and Low.

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- g. Assess whether the existing controls are adequate and allocate the responsibility of monitoring the control to treat the risk. This will integrate risk management and compliance to daily activities and facilitate appropriate control of operational risk.
- h. Raise awareness about managing risks across the organisation through communicating this Policy and responsibilities.
- i. Routinely monitor and review ongoing risks so that risk can be effectively managed

10 The Risk Management Process

The risk management process consists of the following main elements:

- a. **Identify:** identify a risk (threats or opportunities) and document the risks captured by the risk register owner.
- b. **Assess:** the primary goal is to document the net effect of all identified threats and opportunities, by assessing:
 - Likelihood of threats and opportunities;
 - Business and monetary Impact of each risk;
 - Proximity of threats; and
 - Prioritisation based on scales.
- c. **Plan:** preparation of management responses to mitigate threats and maximise opportunities.
- d. **Implement:** risk responses are actioned.
- e. **Monitor and review:** monitor and review the performance of the risk management system and changes to business initiatives.
- f. **Communicate:** provide regular reports to management team and the Board Audit and Risk Committee at agreed times.

For emphasis, risk must first and foremost be managed at the corporate level as part of the Company's good governance and corporate management processes. This process will involve the following key steps:

- a. an annual risk identification exercise undertaken by management which involves assessment of the consequence and likelihood of risk, the development and/or review of individual risk management plans for the risks identified which exceed the Company's defined acceptable risks;
- b. wherever practicable the inclusion of a Risk Management Assessment for all business activities;
- c. the incorporation of risk management into the Company's strategic planning, and operational and resource management planning processes;
- d. annual review of the risk management activities by the Audit and Risk Committee;
- e. at least annual reporting by the designated person to the Audit and Risk Committee on action taken in respect of risk management;
- f. ensure risk management processes are incorporated into the quality assurance and improvement systems of the Company;
- g. clearly define and document escalation procedures for risk management;
- h. ensure a consistency in approach of responses to the same risk by different units within the Company;
- i. document all risks with a potentially high impact, as assessed on the basis of their likely occurrence or impact; and
- j. test documented risk management procedures at appropriate intervals.

11 Risk Management as a Delegated Line Management Responsibility

Risk management is a delegated line management responsibility. It is the responsibility of all line managers to continually monitor their areas of responsibility to ensure that risks are identified and managed. Line managers should ensure that a contribution is made to the Company's risk management process, on behalf of their areas of responsibility, that identifies risks at all levels.

The sharing of documented responses to risks and knowledge of risk management principles and procedures will be fostered between line managers to ensure consistency across the Company.

On an annual basis, line managers should review all activities to ensure that any unacceptable risk exposures are identified and managed at an appropriate level.

Each employee or other stakeholders throughout the Company have a role in the risk management process and are responsible for actively participating in the risk management process as appropriate to their position within the Company.

12 Review of the Company's Risk Management System

The Company's Executive Management will regularly monitor and review the progress being made in developing an appropriate culture of risk management and the effective implementation of risk management strategies throughout the Company. The outcome of this review is to be communicated to the Board through the Risk Committee.

13 Documentation

Each stage of the risk management process shall be appropriately documented. The extent of documentation required is dependent on the nature of the risk.

15 Staff Development

Management shall ensure that staff have available to them appropriate information and training opportunities in risk management as appropriate to their position and role within the Company

16. Applicable Laws

The laws, regulations and guidelines that govern the Company shall complement and apply to this Policy and all parties to this Policy are expected to know and comply with these laws and regulations at all times.

17. Attestation

All Employees are required to sign an attestation annually that they have read this Policy and understood their obligations to comply with the principles, policies and laws outlined in this Policy.

18. Amendment & Review

This Policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board

19. Effective date

This Policy shall be effective immediately.

20. Questions

For any questions about this Policy, the Chief Finance Officer should be contacted.

21. Approval.

This Risk Management Policy is hereby approved by the Board of Directors of Beta Glass PLC this 24th day of March, 2022


Chairman


Secretary