



LANNA RESOURCES PUBLIC COMPANY LIMITED

RISK MANAGEMENT COMMITTEE CHARTER

Revised Version dated March 7, 2023

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Lanna Resources Public Company Limited

Risk Management Committee Charter

Chapter 1

Objectives

The Board of Directors of Lanna Resources Public Company Limited (the “Company”) has established a policy for the Company to have a concise and effective internal control system and risk management system that are appropriate in response to the ever-changing circumstances and environment, and therefore has appointed the Risk Management Committee and approved the Risk Management Committee Charter with the objective of determining the roles, scope of authorities, and responsibilities of the Risk Management Committee to ensure understanding of the policies, objectives, procedures, criteria, and best practices for managing risks that may arise, as well as planning for the operation, review, supervision, and control of various risk factors at an acceptable level, and to monitor the Company to ensure that it has a risk management system that is concise, efficient, effective, and appropriate in response to the ever-changing circumstances and environment so as to create confidence among all stakeholders that the Company has good corporate governance in accordance with internationally accepted standards.

Chapter 2

Risk Management Policy

The Company is committed to preventing and reducing risks that may occur in the future by analyzing, evaluating, and reviewing risk factors that may affect the Company’s business operations in all aspects, as well as supervising and establishing guidelines to resolve or manage risks at an acceptable level, including monitoring to ensure that the Company has a risk management system that is concise, efficient, effective, and appropriate in response to changing circumstances and environment, in accordance with good corporate governance principles and international standards.

Chapter 3

Definitions

Clause (1) This Charter is called **“The Risk Management Committee Charter of Lanna Resources Public Company Limited”**.

Clause (2) In this Charter:

(2.1) **“Organization”** or **“Company”** or **“Parent Company”** means Lanna Resources Public Company Limited;

(2.2) **“RMC”** means the Risk Management Committee;

(2.3) **“RMC Member”** means a member of the Risk Management Committee;

(2.4) **“Executive”** means the Chief Executive Officer, the next four persons holding executive positions descending from the Chief Executive Officer, persons holding positions equivalent to the fourth executive, and persons holding executive positions in financial accounting.

(2.5) **“Risk”** means adverse events that may affect the objectives and/or goals of the Company, or situations that may arise and hinder the management of the business from achieving its objectives and/or goals in terms of strategy, production, distribution, marketing, finance, operations, and related rules or laws.

(2.6) **“Risk Management”** means the process used to identify risks, analyze risks, and establish guidelines for supervising, controlling, or minimizing risks to an acceptable level or as low as possible.

(2.7) **“Enterprise Wide Risk Management”** means the management of factors and control of activities, including various operational processes, by reducing the causes and likelihood of damage in order to ensure that potential risks and the extent of damage that may occur, both at present and in the future, remain at an acceptable and controllable level and can be monitored through a concise and appropriate system, with a focus on achieving the objectives and goals of the organization and supporting its vision.

(2.8) **“Subsidiary Company”** means

(A) A limited company or a public limited company over which the Company has control;

(B) A limited company or a public limited company over which the subsidiary under (A) has control;

(C) A limited company or a public limited company under the chain of control beginning with that under control of the subsidiary under (B).

(2.9) **“Control”** means

(A) Holding shares with voting rights of a juristic person exceeding fifty percent of the total voting rights of such juristic person;

(B) Having control of the majority of voting rights at the shareholders’ meeting of any juristic person, whether directly or indirectly or for any other reasons;

(C) Having control over the appointment or removal of at least half of all directors, whether directly or indirectly or for any other reasons.

(2.10) **“Companies within the Same Group”** means two or more juristic persons having relationships in any of the following manners:

(A) Shareholders holding more than half of the total number of shareholders in one juristic person are also shareholders holding more than half of the total number of shareholders in another juristic person;

(B) Shareholders holding shares in one juristic person with a value exceeding fifty percent of the total capital also hold shares in another juristic person with a value exceeding fifty percent of the total capital;

(C) One juristic person holds shares in another juristic person exceeding fifty percent of the total capital; or

(D) More than half of the directors with management authority in one juristic person are also directors with management authority in another juristic person.

Chapter 4

Composition and Qualifications

Clause (3) The RMC consists of directors and executives from all departments of the Company at the level of department manager or above, with at least one member from each department, to ensure that risk management activities and responsibilities are implemented across the organization. The RMC shall be appointed by the Company's Board of Directors to perform duties, authorities, and responsibilities in accordance with this Charter.

Clause (4) The process of appointing RMC members must ensure that the candidates possess appropriate qualifications, knowledge, competence, and experience. The appointment process shall be conducted with transparency and fairness and must not be subject to the domination or influence of any individual.

Clause (5) RMC members must be able to devote sufficient time to perform duties and shall receive continuous training and development on matters related to the responsibilities of the RMC in preparation for potential changes and to enhance knowledge of the Company's business operations in order to continuously improve the effectiveness of the RMC.

Clause (6) The RMC shall consider and appoint one of the RMC members to serve as the Chairman of the RMC as deemed appropriate.

The selection of the RMC Chairman shall take into consideration leadership capability, as the Chairman plays a key role in ensuring the efficiency and effectiveness of the RMC, including overseeing effective planning and conducting meetings in a proper, transparent, and productive manner.

Clause (7) The RMC shall consider and appoint a suitable person to serve as Secretary and Assistant Secretary to the RMC as deemed appropriate. The Secretary and Assistant Secretary shall be responsible for arranging RMC meetings, coordinating the operations of the RMC, and serving as coordinators for reporting the RMC's activities to the Company's Board of Directors, the Audit Committee, and other relevant units on a regular basis.

The Secretary and Assistant Secretary of the RMC shall attend all RMC meetings but shall have no voting rights.

Clause (8) RMC members, including the Chairman of the RMC, shall hold office for a term of 3 (three) years each. RMC members who retire by rotation may be re-appointed.

In addition to retirement by rotation, an RMC member may vacate office for the following reasons:

(A) Death;

(B) Resignation;

In the event that an RMC member resigns before the expiration of the term of office, the member shall notify the Company in writing at least 1 (one) month in advance, stating the reasons for the resignation, in order for the Board of Directors of the Company to consider appointing another qualified person to replace the resigning member.

(C) Retirement from the position of director or employee of the Company;

(D) Removal by a resolution of the Board of Directors of the Company;

(E) Lack of qualifications or having prohibited characteristics as stipulated by law.

In the event that the position of RMC member becomes vacant for any reason other than retirement by rotation, the Board of Directors may appoint a person with appropriate qualifications and expertise to serve as an RMC member for the remaining term of the member being replaced.

Chapter 5

Scope, Authority, and Responsibility

Clause (9) The RMC shall have the key scopes, authorities, and responsibilities as delegated by the Company's Board of Directors and shall perform its duties with responsibility, prudence, and honesty as follows:

(9.1) To propose risk management policies and objectives for the Company and its subsidiaries for approval by the Board of Directors, as well as to provide recommendations to the Board of Directors and the Management regarding the organization's risk management. Such risk management shall cover financial risks, operational risks, business risks, strategic risks, and other event risks across the organization.

(9.2) To supervise and support enterprise wide risk management by promoting risk awareness in all areas in order to facilitate appropriate decision-making in the use of resources and operational processes with efficiency, effectiveness, and the greatest benefit to the organization.

(9.3) To study, analyze and assess risks and potential trends that may affect the Company and/or its subsidiaries and/or associated companies, both internal and external, and to manage such risks in accordance with the policies and objectives approved by the Board of Directors. This shall lead to the implementation of risk management practices covering potential risk factors that may arise in the Company's business operations throughout the organization.

(9.4) To determine corrective measures to mitigate risks to an acceptable level or to minimize such risks as much as possible. The risks may be categorized as follows:

Risk Type	Risk Management
Red Risk	A risk factor requiring immediate corrective action and having the highest priority for mitigation.
Orange Risk	A risk factor requiring close monitoring, with preventive measures in place to avoid occurrence.
Yellow Risk	A risk factor requiring close monitoring. Preventive measures may be required in both the short term and long term.
Green Risk	A risk factor that is insignificant or does not yet require close monitoring or risk management.

(9.5) To supervise and monitor the results of risk management, including audit procedures and risk management reporting, to ensure that the Company has an adequate, concise, and effective risk management framework. The RMC shall also review the appropriateness of the risk appetite to ensure alignment with the Company's strategies, business objectives, and changing circumstances, as well as monitor and follow up on emerging risks arising from both internal and external factors on a continuous and regular basis.

(9.6) To regularly report on risk management for each risk factor, together with appropriate recommendations, to the Company's Board of Directors and the Audit Committee at least once every quarter for consideration and review of the risk management policies, plans, and objectives in order to ensure alignment with the changing circumstances and environment in a timely manner.

(9.7) To prepare the annual report of the RMC, together with appropriate recommendations, for disclosure in the Annual Report (Form 56-1 One Report). The report shall be signed by the Chairman of the RMC and shall specify the number of meetings held and the attendance record of each RMC member.

(9.8) The RMC shall have the authority to invite executives and employees at all levels of the Company and its subsidiaries to provide clarification and relevant documents relating to the Company's risk management in all aspects, as deemed appropriate on a case-by-case basis.

(9.9) The RMC shall have the authority to engage consultants or specialists to provide advice and opinions as deemed appropriate. The Company shall be responsible for the expenses incurred in accordance with the plan and annual budget approved by the Board of Directors.

(9.10) To establish criteria and conduct an annual self-assessment of the RMC, both collectively and individually, at least once a year, in order to identify strengths, weaknesses, and areas requiring improvement, and to use the results as guidelines for enhancing the effectiveness of the RMC's performance in the following year.

(9.11) To ensure that subsidiaries and/or affiliated companies operate under risk management and internal control systems consistent with those of the parent company.

(9.12) To promote and support RMC members to attend necessary training programs on a continuous basis and to enhance their skills in performing their duties as RMC members. The disclosure of training and knowledge development of RMC members shall be included in the Annual Report (Form 56-1 One Report).

(9.13) To perform any other duties related to risk management as delegated by the Company's Board of Directors on a case-by-case basis.

Chapter 6

Meetings

Clause (10) The RMC shall hold meetings regularly at least once every two months or as the RMC Chairman deems appropriate.

Clause (11) The RMC Secretary shall circulate the meeting invitation and relevant documents to RMC members and other meeting participants at least seven days prior to the meeting in order to allow sufficient time for consideration of the agenda and for requesting additional supporting information and/or documents.

Clause (12) At each RMC meeting, a quorum shall consist of more than half of the total number of RMC members attending the meeting in person. The RMC Chairman shall preside as the Chairman of the meeting.

In the event that the RMC Chairman is absent or unable to perform his or her duties, the RMC members attending the meeting shall appoint one member to preside as the Chairman of the meeting.

Clause (13) Resolutions of the RMC shall be passed by a majority vote of the members present at the meeting, and the RMC Chairman shall not have a casting vote. The opinions of members who approve and those who object shall be recorded in the minutes of the meeting.

Any person who has an interest in the matter under consideration shall not attend the meeting or vote on such matter.

Clause (14) RMC meetings may be conducted through electronic media in accordance with applicable laws.

Chapter 7

Miscellaneous

Clause (15) The RMC shall ensure that this Charter is reviewed and revised periodically, at least once a year, in order to ensure its appropriateness and alignment with changing circumstances.

Clause (16) Any amendment, improvement, or revision of this Charter shall require the consent of the RMC members and must be approved by the Board of Directors.

Clause (17) All previous RMC Charters are hereby revoked and replaced by this Charter. However, the provisions of this Charter shall be subject to the Company's Articles of Association and applicable laws. In the event that any provision of this Charter conflicts with the Company's Articles of Association and/or applicable laws, such provision shall be no longer be in effect.

Clause (18) This Charter shall be effective starting from March 8, 2023 onward until amended in writing in accordance with the criteria specified in Clause 16 above.

Approved by the resolution of the Board of Directors' Meeting of Lanna Resources Public Company Limited No. 1/2023 dated March 7, 2023

.....
(Mr. Vanchai Tosomboon)
Chairman of the Board of Directors

.....
(Mr. Anun Louharanoo)
Chairman of the Risk Management Committee