ENTERPRISE RISK MANAGEMENT POLICY

PURPOSE

The purpose of the enterprise risk management policy (the “Policy”) is to to establish a common framework within Miahona (the “Company”) to identify, manage and control the financial and non-financial risks the Company is exposed to, confirm the risk level that is considered acceptable and to operate within the Group defined Risk Appetite.

GENERAL PRINCIPLES

The Enterprise Risk Management Framework effectively integrates the management of risk into the Company’s overall governance, strategy and planning, management, reporting processes, policies, values and culture.

This Enterprise Risk Management Policy (the ‘Policy’) has adopted the principles of risk management as set out in the International Risk Management Standard (ISO 31000:2018) that allows both the identification and the assessment of the impact and the likelihood of occurrence of the different risks of the Company.

The Framework is based on the principle of the three-line-of-defence model:

- **Management as the first line of defence:** Management are responsible for implementing strategies, plans and policies, monitoring operational and financial performance, assessing and controlling financial, business and operational risks and the maintenance and ongoing development of a robust control framework and environment in their areas of responsibility. Such responsible managers are considered, for these Policy purposes, Risk Owners. Risk Owners are responsible for recording and updating those risks.
- **The Risk function as the second line of defence:** the risk function is accountable for the oversight of the framework and driving initiatives to increase its robustness and effectiveness. The Risk function maintains a direct reporting relationship with the Audit Committee ensuring that any feedback from the committee is acted upon.
- **Internal Audit as the third line of defence:** Internal audit provides an independent and objective assessment on the robustness of the Framework, the appropriateness and effectiveness of the internal control in addition to the adequacy of these systems to manage business risks and safeguard our assets and resources.

RISK DEFINITION

Risk is the potential for material loss or deviation caused by an event, or series of events, that can adversely affect the achievement of the Group’s business objectives, its reputation and shareholder value.

Risk is about future uncertain events and therefore differs from “issues” that are currently adversely affecting achievement of business objectives. Impacts will be estimated over a two year time period against the business plan.

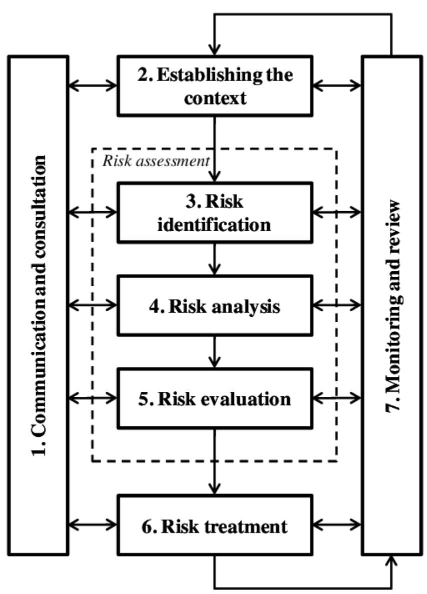
Risks are grouped and reported in four categories: strategic; business and operational; financial; and compliance and regulatory risks.

RISK APPETITE

The Company has defined a level of risk tolerance or acceptable risk, either qualitatively or quantitatively, established at corporate level; which means its willingness to assume a certain level of risk in order to meet the Group’s objectives. The Risk Appetite is reviewed and approved by the Board on annual basis.

RISK FRAMEWORK

The Framework connects the mandate with the process, and it recognises the influence and expectations of various internal and external stakeholders. It seeks to influence existing culture to better manage risk and opportunity, having regard for our economic, social, regulatory, political and competitive environment locally in alignment with the Company’s strategic objectives. The process is as follows:



Communication and consultation: effective communication and consultation are essential to ensure that those responsible for identifying and managing risks and those with a vested interest understand the basis on which risk-informed decisions are made and reasons why particular actions and treatments are selected. The purpose of communication and consultation is to assist relevant stakeholders in understanding risk, the basis on which decisions are made and the reasons why particular actions are required.

Establishing the context: consist in the identification the objectives, events or relationships and then consider the internal and external parameters within which the risk must be managed. Establishing the context sets the framework within which the risk assessment should be undertaken, ensures the reasons for carrying out the risk assessment are clearly known, and provides the backdrop of circumstances against which risks can be identified and assessed.

Risk identification: risks are identified by the managers, who consider both the factors that cause them and the effects they may have on the achievement of the objectives. In this identification of risks, risks associated with the strategic plan are considered, as well as potential "emerging risks", meaning those risks that could eventually have an adverse impact on future performance; although its result and time horizon is uncertain and difficult to predict.

Risk analysis: risk and control owners will provide quantitative and/or qualitative data to assist in describing the risk or to support the risk rating, looking at the strengths and weaknesses of existing systems and processes designed to help control the risk. To determine an assessment of the inherent likelihood and impact of each risk shall be performed using the company's risk assessment matrix, as per Appendix II.

Risk evaluation: whether a risk is acceptable or unacceptable relates to a willingness to tolerate the risk; that is, the willingness to bear the risk after it is treated in order to achieve the desired objectives. Initiatives, strategies or projects that can trigger risk exposure exceeding the approved risk appetite shall be approved by the Board of Directors.

Risk treatment: definition of response to the risk if there are any, considering between the following: accept, avoid, mitigate or transfer. Where options for treatment are available and appropriate, control and action plans shall be recorded evaluating its effectiveness. Additional assessment is required as follows:

- Control identification and assessment:

- Identification and documentation of existing controls that are in place to mitigate or manage the identified risks. Controls may include policies, procedures, technologies, or other risk-mitigating measures.
- Assessment of the effectiveness of each control in reducing the likelihood or impact of the associated risk. Consider factors such as design, implementation, and ongoing monitoring of controls.

- Control identification and assessment: reassessment pf the remaining (residual) risk after considering existing controls, using the company's risk assessment matrix.

Monitoring and review: changes to the source and context of risks and controls and the adequacy and effectiveness of controls shall be monitored on timely manner.. Given the dynamic nature of the environment, it is important to be alert to emerging risks. The Register can also generate Risk Management Reports and Risk Treatment Plans for individual risks.

RISK REPORTING

Management Committee: The Management Committee reviews a consolidated risk map on a quarterly basis, considering any significant movements in risk and any changes to the existing response plans with regard to the Group Risk Appetite. This risk map includes risks that are material at the corporate level. The Management Committee amends and approves the consolidated risk map for review by the Audit Committee.

Audit Committee and Board: The Board has ultimate responsibility for risk management and internal control, including for the determination of the nature and extent of the principal risks it is willing to take to achieve its strategic objectives.

The Audit Committee reviews all Enterprise Risk Management matters on behalf of the Board. This will include a quarterly risk map review including a robust assessment of the principal risks facing the Group and how these risks are managed or mitigated to reduce their incidence or their impact. The Committee also carries out deep dives on selected risks as and when requested. During such reviews the requirement for any changes to the Board's Risk Appetite is considered.

The Audit Committee will also monitor and review the risk management systems, satisfying itself that they are functioning effectively and that appropriate corrective action is being taken where necessary.