

786 Investments Limited

Governance of Risks and Internal Control Measures Policy

1. Purpose

The purpose of this Policy is to establish a structured framework for identifying, assessing, managing, monitoring, and reporting risks faced by **786 Investments Limited**.

The Policy is intended to ensure that appropriate internal control measures are maintained to safeguard the Company's assets, ensure reliable financial and operational reporting, promote compliance with applicable laws and regulations, and support the achievement of the Company's strategic and business objectives.

2. Scope

This Policy applies to:

- The Board of Directors;
- Board Committees;
- Chief Executive Officer / Managing Director;
- Senior Management;
- All employees;
- Internal and external service providers, where applicable; and
- All business and investment activities undertaken by the Company.

3. Risk Governance Framework

The Company shall maintain an effective risk governance framework based on the principles of:

- Accountability;
- Transparency;
- Risk awareness;
- Appropriate segregation of duties;
- Independent oversight;
- Timely identification and escalation of risks; and
- Continuous monitoring and improvement.

The Board of Directors has overall responsibility for ensuring that an appropriate system of risk management and internal controls is established and maintained.

4. Responsibilities of the Board of Directors

The Board shall:

- Approve the Company's overall risk management framework;
- Oversee significant financial, operational, regulatory, investment, and strategic risks;
- Ensure that appropriate internal controls are established;
- Review material risk exposures and mitigation measures periodically;
- Ensure that Management takes appropriate corrective action where control weaknesses are identified; and
- Promote a culture of integrity, accountability, and responsible risk management.

5. Responsibilities of Management

Management shall be responsible for implementing the risk management and internal control framework approved by the Board.

Management shall:

- Identify and assess material risks;
- Establish appropriate controls and procedures;
- Ensure compliance with applicable laws and regulatory requirements;
- Monitor the effectiveness of controls;
- Maintain appropriate records and documentation;
- Report significant risks and control deficiencies to the Board or relevant Board Committee; and
- Take timely corrective action where weaknesses are identified.

6. Risk Identification and Assessment

The Company shall identify risks that may adversely affect its operations, financial position, investments, reputation, regulatory compliance, and strategic objectives.

Risks may include, but are not limited to:

- **Investment Risk**
- **Market Risk**
- **Credit / Counterparty Risk**
- **Liquidity Risk**
- **Operational Risk**
- **Legal and Regulatory Risk**
- **Compliance Risk**
- **Information Technology and Cybersecurity Risk**
- **Fraud and Financial Crime Risk**
- **Reputational Risk**
- **Business Continuity Risk**
- **Strategic Risk**

Identified risks shall be assessed according to their potential likelihood and impact, and appropriate mitigation measures shall be established.

7. Internal Control Measures

786 Investments Limited shall maintain appropriate internal controls designed to provide reasonable assurance regarding:

- Protection of Company assets;
- Accuracy and reliability of financial information;
- Proper authorization of transactions;
- Compliance with applicable laws and regulations;
- Prevention and detection of fraud and errors;
- Effective and efficient business operations; and
- Proper recording and reporting of transactions.

8. Segregation of Duties

The Company shall maintain appropriate segregation of duties to reduce the risk of error, fraud, unauthorized transactions, or abuse of authority.

Where practicable, responsibility for authorization, execution, recording, reconciliation, and review of transactions shall be assigned to different individuals or functions.

Where complete segregation is not practicable due to organizational size, compensating controls and management review shall be implemented.

9. Authorization and Approval Controls

All material transactions and commitments shall be subject to appropriate authorization in accordance with approved financial and operational authority limits.

No employee shall approve a transaction beyond their delegated authority.

Appropriate supporting documentation shall be maintained for material transactions.

10. Financial Controls

The Company shall maintain appropriate financial controls, including:

- Proper maintenance of accounting records;
- Periodic bank reconciliations;
- Appropriate segregation of financial responsibilities;
- Budgetary controls;
- Periodic financial reporting;
- Review and approval of material expenditures;
- Controls over cash and bank transactions;
- Appropriate controls over receivables and payables; and
- Periodic review of financial statements and management accounts.

11. Investment Risk Controls

Given the nature of the Company's investment activities, appropriate controls shall be maintained over investment decisions.

Investment activities shall be conducted in accordance with approved investment policies, applicable laws, regulatory requirements, and Board-approved limits.

The Company shall, where applicable:

- Conduct appropriate due diligence before material investments;
- Assess investment risks and expected returns;
- Monitor investment concentration and exposure;
- Monitor counterparty and credit risks;
- Maintain appropriate documentation of investment decisions;
- Review the performance of investments periodically; and
- Escalate material investment risks to Management and the Board.

12. Compliance and Regulatory Controls

The Company shall maintain procedures to ensure compliance with applicable laws, rules, regulations, regulatory requirements, and internal policies.

Management shall monitor significant regulatory developments and ensure that relevant policies and procedures are updated where necessary.

Material compliance breaches shall be reported promptly to the appropriate authority within the Company.

13. Fraud Prevention and Detection

786 Investments Limited maintains zero tolerance for fraud, corruption, bribery, theft, financial misconduct, and other unethical activities.

Appropriate controls shall be established to prevent and detect fraudulent activities.

Employees and other relevant stakeholders shall be encouraged to report suspected misconduct through the Company's approved reporting and whistleblower mechanisms.

All reported matters shall be handled confidentially and investigated appropriately.

14. Information Technology and Cybersecurity Controls

The Company shall maintain appropriate safeguards to protect information systems and confidential information.

Controls may include:

- User access controls;
- Password and authentication controls;
- Backup and recovery procedures;
- Protection against unauthorized access;
- Periodic cybersecurity assessments;
- Employee cybersecurity awareness and training; and
- Appropriate incident-response procedures.

Access to confidential information shall be provided only to authorized persons based on business requirements.

15. Business Continuity

The Company shall maintain appropriate measures to ensure continuity of critical business operations in the event of significant disruption.

Business continuity measures may cover:

- Technology failure;
- Cybersecurity incidents;
- Loss of key personnel;
- Natural disasters;
- Operational disruptions; and
- Other events that may materially affect business operations.

Critical systems and processes shall be reviewed periodically to identify potential vulnerabilities.

16. Internal Audit

Where applicable, the Internal Audit function shall independently assess the adequacy and effectiveness of the Company's internal control environment and risk-management processes.

Internal Audit shall:

- Review internal controls;
- Identify control deficiencies;
- Report significant findings to the appropriate authority;
- Recommend corrective actions; and
- Follow up on implementation of agreed corrective measures.

Internal Audit shall maintain an appropriate degree of independence from the activities it reviews.

17. Audit Committee Oversight

The Audit Committee of the Board shall provide oversight of the Company's financial reporting, internal controls, internal audit activities, and significant risk matters within its mandate.

The Audit Committee may review:

- Material control weaknesses;
- Internal audit reports;
- External audit findings;
- Significant financial risks;
- Fraud or misconduct matters;
- Regulatory compliance issues; and
- Management's corrective actions.

18. Risk Monitoring and Reporting

Material risks shall be monitored on an ongoing basis.

Management shall report significant changes in the Company's risk profile to the Board or relevant Board Committee.

Risk reports should, where appropriate, include:

- Identified risk;
- Risk rating;
- Potential impact;
- Existing controls;
- Mitigation measures;
- Responsible person/function; and
- Status of corrective actions.

19. Reporting of Control Weaknesses

Any material weakness or deficiency in internal controls shall be reported to the appropriate level of Management and, where significant, to the Board or relevant Board Committee.

Management shall establish corrective measures and monitor their implementation.

20. Employee Responsibilities

All employees are responsible for complying with the Company's internal control procedures and risk-management requirements.

Employees shall:

- Perform their duties with integrity and due care;
- Follow approved policies and procedures;

- Protect Company assets and confidential information;
- Report suspected fraud, misconduct, or control weaknesses;
- Avoid conflicts of interest; and
- Cooperate with internal and external reviews and investigations.

21. Policy Review

This Policy shall be reviewed **annually** or whenever significant changes occur in the Company's business activities, risk profile, applicable laws, regulations, or regulatory requirements.

Any amendments shall be subject to approval in accordance with the Company's governance framework.

Approval Date: April 09, 2026