

SOURCE	:	RISK MANAGEMENT COMMITTEE
APPLICABLE TO	:	I-BERHAD AND ITS SUBSIDIARIES
SUBJECT	:	RISK MANAGEMENT FRAMEWORK

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Approved by the Board on 28 November 2023.

## 1.0 RISKMANAGEMENT FRAMEWORK (“RMF”)

The success of risk management in an organization depends on the effectiveness of an organization’s Risk Management Framework (“RMF”) to provide a clear foundation which shall be applied in the organization at every level. The RMF should also help in managing risk effectively through the application of risk management process at every level in the organization.

The RMF should ensure that any information regarding risk derived throughout risk management process is properly reported and used in the decision-making process.

The diagram below illustrates the RMF components and its purposes.

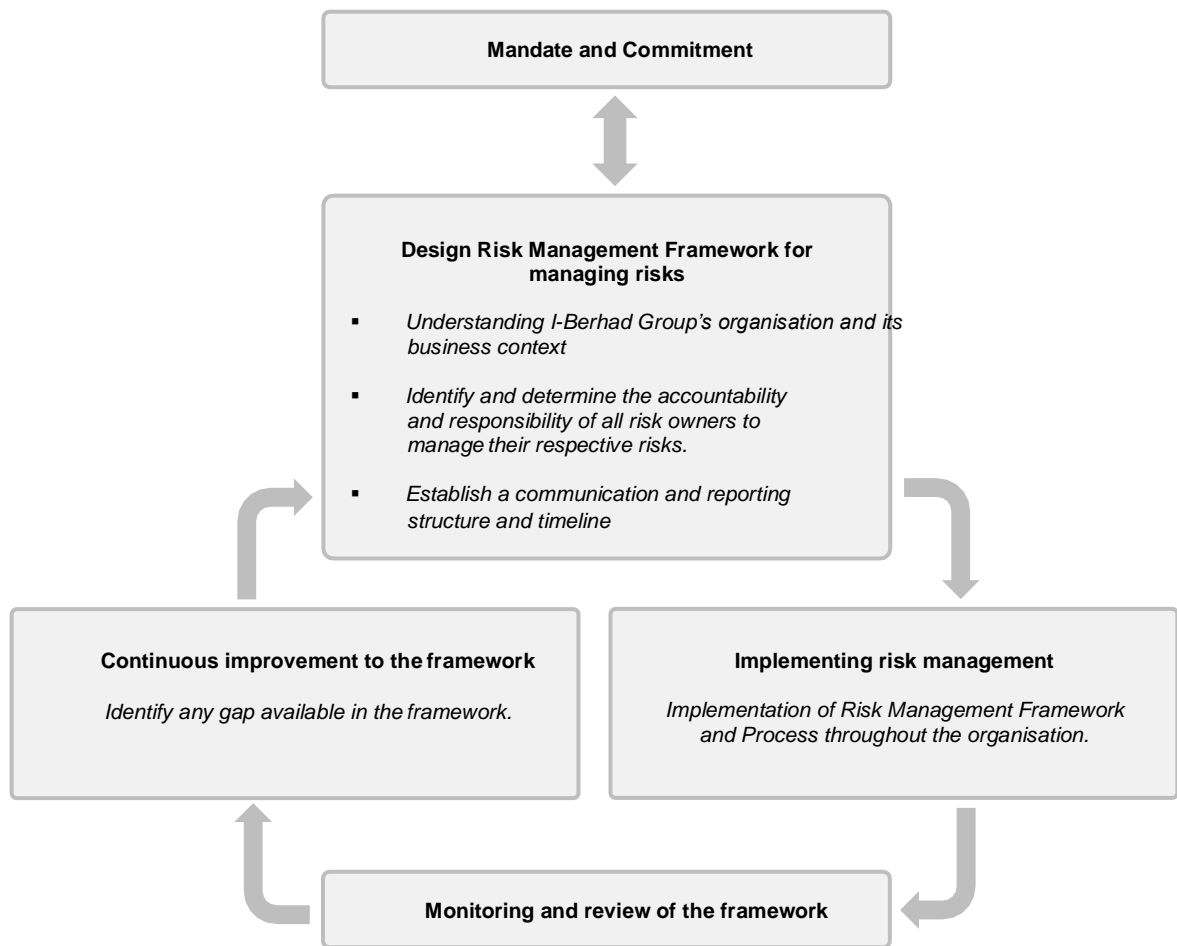


Diagram 1 - RMF components and its purpose for I-Berhad Group

## 1.1 MANDATE AND COMMITMENT

The implementation of Enterprise Risk Management (“ERM”) as well as its effectiveness require a strong and continuous commitment by the management of I-Berhad Group as well as a strategic and adequate planning to ensure commitment at every level. Therefore, I-Berhad Group’s management should:

- Clearly define and endorse the risk management policy.
- Ensure that organisation’s culture as well as risk management policy are aligned.
- Determine the risk appetite align with organization and department’s key performance Indicators.
- Assign accountability and responsibility at every level within organization.
- Ensure adequate resources are allocated to support risk management activities.
- Communicate the importance and benefits of risk management to all employees.
- Ensure that risk management framework to remain appropriate and updated.

## 1.2 DESIGNATED RISK MANAGEMENT FRAMEWORK FOR MANAGING RISKS

### (a) Understanding the organization of I-Berhad Group organization and its business context

Prior to designing and implementing the RMF, it is important for the Risk Management Committee (“RMC”) to consider as well as evaluate internal and external context of the operation for I-Berhad Group. These factors can influence the design of the RMF.

Some of the internal context for I-Berhad Group that should be evaluated may include (but not limited to):

- Governance, organizational structure, roles and accountabilities.
- Policies, objectives, standard and guidelines that already exist to achieve them.

Evaluation of I-Berhad Group's external context on the other hand may include social and cultural, political, legal, regulatory, financial, technological, economic, and natural be it locally or internationally.

(b) **Identify and determine the accountability and responsibility**

I-Berhad Group should ensure that there is accountability, authority and responsibility to manage the risk, which include the implementation and maintenance of risk management activities and process as well as ensuring an adequate and effective controls are implemented.

This can be achieved by:

- Identify and appoint risk owners that have the authority to manage the risks.
- Identifying other responsibilities for employees at all levels in for the risk management process.

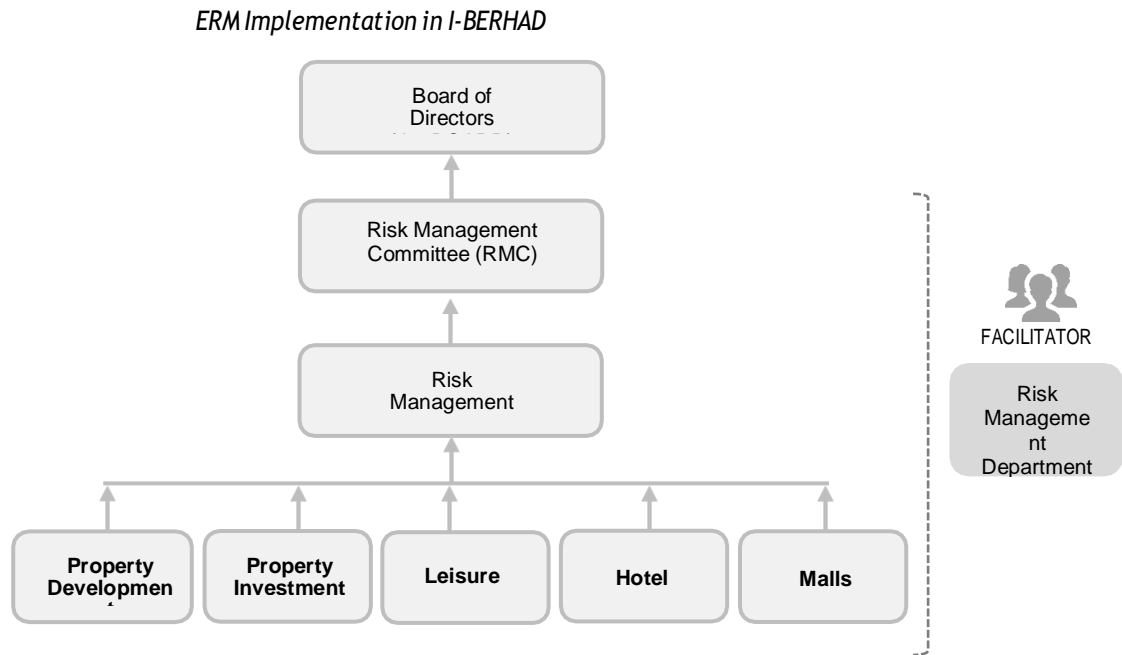
(c) **Establish a communication and reporting structure and timeline**

I-Berhad Group should develop an internal communication as well as reporting structure to ensure accountability and ownership of risks among risk owners.

Therefore, the structure should ensure:

- There is an adequate internal reporting on the RMF, its effectiveness, outcomes and the update to the RMC and Audit Committee.
- Communication of any update made on the risk management framework to all the employees.
- Communication to the external party to ensure adherence of legal and regulatory requirements.

The existing communication and reporting structure as follows:



*Diagram 2 - Risk Management Reporting Structure for I-Berhad Group*

### 1.3 IMPLEMENTING RISK MANAGEMENT

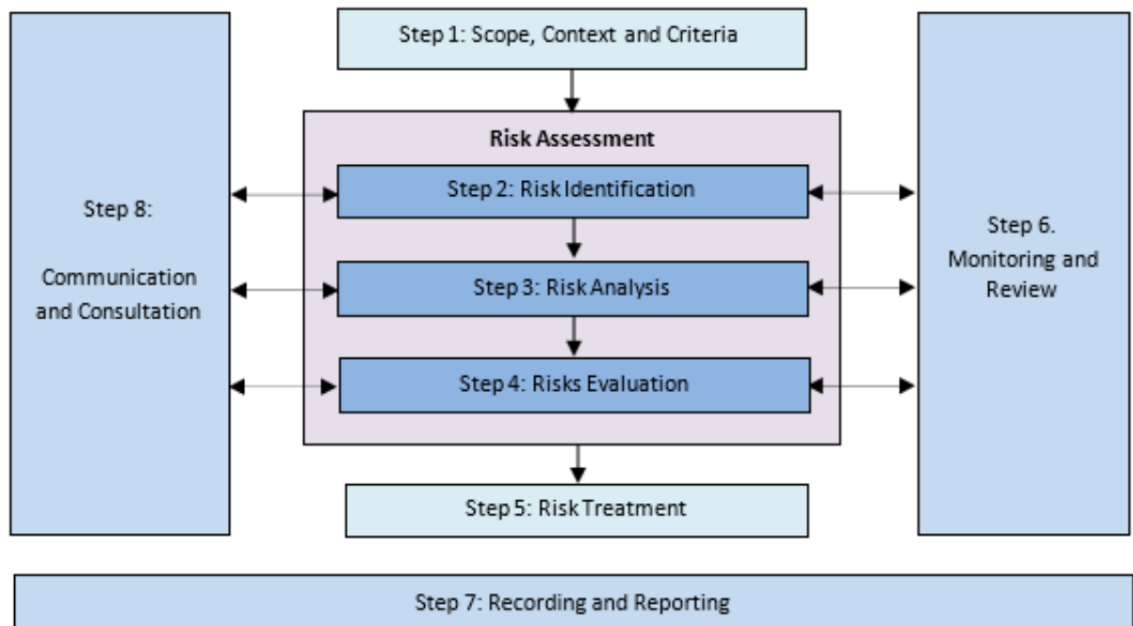
#### (a) Implementing Risk Management Framework

To ensure that risk management framework is in place, I-Berhad Group should:

- Properly define the timing (reporting, activities) as well as the strategy to implement the risk management framework.
- Adequately apply the risk management policy and procedures to the I-Berhad Group's processes.
- Comply with legal and regulatory requirements.
- Conduct a risk management training and workshop to ensure risk awareness throughout the organization.
- Guide its objective setting as well as decision making based on risk management framework to ensure risk management objectives and outcomes are achieved.
- Constantly communicate with the management should there is any changes needed for the risk management framework.

**(b) Implementing Risk Management Process**

RMF should be applied throughout I-Berhad Group by ensuring that risk management process (as shown in Diagram 3) is implemented for every risk management exercise at every level within the organization i.e. department, project, subsidiary and Group level.



*Diagram 3 - Risk Management Process for I-Berhad Group*

**1.4 MONITORING AND REVIEW OF THE RISK MANAGEMENT FRAMEWORK**

To ensure that the risk management implementation in I-Berhad Group remain effective and contribute towards organizational performance, I-Berhad Group’s management should:

- Measure risk management performance with risk appetite, which should be review periodically to ensure appropriateness.
- Reporting of the risk progress as well as the risk management.
- Review the effectiveness of the risk management framework to ensure its relevance.

**1.5 CONTINUOUS IMPROVEMENT OF THE RISK MANAGEMENT FRAMEWORK**

Once the monitoring and reviewing are conducted, I-Berhad Group’s management should decide when and how the risk management framework, policy and plan can be further improved.

Any improvement made should further promote the improvement of I-Berhad Group’s management of the risks and also its risk culture.

## 2.0 KEY RISK INDICATOR

A Key Risk Indicator (“KRI”) is a measure used in management to indicate how risky an activity is. KRIs are metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the enterprise. KRIs are an important tool within risk management and are used to enhance the monitoring and mitigation of risks and facilitate risk reporting. KRIs for I-Berhad Group are as follows:

KEY RISK INDICATOR	BUSINESS UNIT		
	PROPERTY DEVELOPMENT	PROPERTY INVESTMENT & MANAGEMENT	PROPERTY INVESTMENT & MANAGEMENT
Financial	<ul style="list-style-type: none"> <li>▪ Project cost - actual vs budget.</li> <li>▪ Monthly sales (unit and value) vs debtors ageing.</li> <li>▪ Unsold property – total unit and value.</li> <li>▪ Potential liquidated &amp; ascertained damages (“LAD”) payable to purchasers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Net lettable area (“NLA”) – available vs tenanted.</li> <li>▪ Rental revenue.</li> <li>▪ Debtors ageing.</li> <li>▪ No. of tenancy early termination.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Net lettable area (“NLA”) – available vs tenanted.</li> <li>▪ Rental revenue.</li> <li>▪ Debtors ageing.</li> <li>▪ No. of tenancy early termination.</li> </ul>
Operation	<ul style="list-style-type: none"> <li>▪ Physical work progress – actual vs scheduled.</li> <li>▪ No. of accident with/ without injury and fatality.</li> <li>▪ No. of NCR issued to contractor and status.</li> <li>▪ No. of defect for property with vacant possession.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of power failure and length.</li> <li>▪ No. of chilled water supply failure and length.</li> <li>▪ No. of elevator failure and length.</li> <li>▪ No. of complaint from tenant.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of power failure and length.</li> <li>▪ No. of chilled water supply failure and length.</li> <li>▪ No. of elevator failure and length.</li> <li>▪ No. of complaint from tenant.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>▪ No. of SWO with no. of days issued by authority and amount of penalty.</li> <li>▪ No. of complaint by public/ other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of complaint by public/ other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of complaint by public/ other stakeholders.</li> </ul>
People	<ul style="list-style-type: none"> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>

## Risk Management Framework

KEY RISK INDICATOR	BUSINESS UNIT			GENERAL
	MALL	HOTEL	LEISURE	
Financial	<ul style="list-style-type: none"> <li>▪ Nett lettable area – available vs tenanted.</li> <li>▪ Rental and carpark revenue.</li> <li>▪ Debtors ageing.</li> <li>▪ No. of tenancy early termination.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Room revenue.</li> <li>▪ Debtors ageing,</li> <li>▪ Average room rate.</li> <li>▪ Food &amp; Beverage (“F&amp;B”) revenue and cost.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental revenue/ ticket revenue.</li> <li>▪ Debtors ageing,</li> <li>▪ Average ticket rate/ Average rate per sq.ft.</li> <li>▪ other revenue and cost.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interest rate.</li> <li>▪ Gearing ratio.</li> </ul>
Operation	<ul style="list-style-type: none"> <li>▪ No. of power failure and length.</li> <li>▪ No. of chilled water supply failure and length.</li> <li>▪ No. of elevator failure and length.</li> <li>▪ No. of complaint from tenant.</li> <li>▪ Monthly footfall.</li> <li>▪ No. of issued and paid ticket.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Room night sold.</li> <li>▪ No. of food poisoning case and no. of person affected with detail of treatment required (e.g. out-patient, in-patient)</li> <li>▪ No. of theft/ other crime case.</li> <li>▪ No. of power/ ACMC/ system/ hot water system/ lift system and length.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tenant renovation/ theme park refurbishment.</li> <li>▪ Traffic flow</li> <li>▪ No. of theft/ other crime case.</li> <li>▪ No. of power/ MATFA/ system/ lift system and length.</li> <li>▪ Tenant occupancy/ customer re-visit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Order book balance.</li> <li>▪ Holding cost.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>▪ No. of complaint by public/ other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of time kitchen being closed for non-compliance.</li> <li>▪ Amount of penalty/ summon by authority for non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ License for rides/ business license for tenant</li> <li>▪ Amount of penalty/ summon by authority for non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Change in government policy.</li> <li>▪ Change in government regulation.</li> </ul>
People	<ul style="list-style-type: none"> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of employee resigned/ workers left/ absconded.</li> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of employee resigned/ workers left/ absconded.</li> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No. of employee resigned/ workers left.</li> <li>▪ No. of key personnel resigned – Assistant Manager and above.</li> </ul>

### Notes:

- (1) All business unit/ project/ department MUST adopt this policy on KRI.
- (2) KRI information MUST be made available monthly basis (*except for BUDGET report which shall be on quarterly basis*) and forwarded to Risk Management Department accordingly, latest by 14<sup>th</sup> day of the following month.



### 3.0 RISK APPETITE

Risk appetite can be defined as “the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives”.

### 3.1 Risk Appetite of I-Berhad Group

Impact Criteria	Magnitude of Impact				
	Insignificant	Minor	Moderate	Major	Critical
	1	2	3	4	5
General	<ul style="list-style-type: none"> <li>Minimal financial loss.</li> <li>No impact on overall program or functional outcomes (e.g. confined to very small number of projects, products, services or clients).</li> <li>No adverse external criticism or publicity.</li> <li>No impact on staff.</li> </ul>	<ul style="list-style-type: none"> <li>Small financial loss.</li> <li>Small impact on overall program or functional outcomes (e.g. confined to a substantial minority or projects, products, services or clients).</li> <li>Criticism by directly affected managers or clients.</li> <li>Minimal impact on staff or overall morale.</li> </ul>	<ul style="list-style-type: none"> <li>Medium financial loss.</li> <li>Substantial impact on overall program or functional outcomes (e.g. many projects, products, services or clients).</li> <li>Some external criticism directed at executive and Boards (e.g. by customer and stakeholders, low key media, moderately adverse audit report).</li> <li>Minimal impact on staff noticeable, degree of change in morale.</li> </ul>	<ul style="list-style-type: none"> <li>High financial loss.</li> <li>Projects, services or clients curtailed due to failure to deliver outcomes.</li> <li>Serious external criticism (e.g. key stakeholders, high profile media, severely adverse audit report).</li> <li>Substantial impact on staff and morale with performance affected. Measurable increase in stress related issues.</li> </ul>	<ul style="list-style-type: none"> <li>Abolition of organisation.</li> <li>Dismissal of CEO.</li> <li>Significant irreparable impact on policyholders' or stakeholders' prospect through mismanagement.</li> <li>Impact in staff and morale severe.</li> </ul>
Operational	<ul style="list-style-type: none"> <li>≤ 1% of total existing project recorded delay.</li> <li>≤ 14 days of delay.</li> <li>LAD ≤ 10% of gross turnover (“GTO”).</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 1% ≤ 2% of total existing project recorded delay.</li> <li>&gt; 14 days ≤ 30 days of delay.</li> <li>LAD &gt; 10% ≤ 20% of GTO.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 2% ≤ 5% of total existing project recorded delay.</li> <li>&gt; 30 days ≤ 90 days of delay.</li> <li>LAD &gt; 20% ≤ 50% of GTO.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 5% ≤ 20% of total existing project recorded delay.</li> <li>&gt; 90 days ≤ 180 days of delay.</li> <li>LAD &gt; 50% ≤ 75% of GTO.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20% of total existing project recorded delay.</li> <li>&gt; 180 days of delay.</li> <li>LAD &gt; 75% of GTO.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Affect ≤ 10% of Group Annual Profit Before Tax (“PBT”).</li> </ul>	<ul style="list-style-type: none"> <li>Affect &gt; 10% ≤ 25% of Group PBT.</li> </ul>	<ul style="list-style-type: none"> <li>Affect &gt; 25% ≤ 50% of Group PBT.</li> </ul>	<ul style="list-style-type: none"> <li>Affect &gt; 50% ≤ 75% of Group PBT.</li> </ul>	<ul style="list-style-type: none"> <li>Affect &gt; 75% of Group Annual PBT.</li> </ul>

Risk Management Framework

Impact Criteria	Magnitude of Impact				
	Insignificant	Minor	Moderate	Major	Critical
	1	2	3	4	5
People	<ul style="list-style-type: none"> <li>▪ ≤3% overall staff turnover.</li> <li>▪ Loss ≤ 10% of key personnel.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;3%≤7%overallstaff turnover.</li> <li>▪ Loss &gt; 10%≤25%of key personnel.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt; 7%≤ 10% overall staff turnover.</li> <li>▪ Loss &gt; 25%≤40%of key personnel.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt; 10%≤15% overall staff turnover.</li> <li>▪ Loss &gt; 40%≤50%of key personnel.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt; 15% overall staff turnover.</li> <li>▪ Loss &gt; 50% of key personnel.</li> </ul>
Legal, Regulatory and Compliance	<ul style="list-style-type: none"> <li>▪ No litigation impacts.</li> <li>▪ Issuance of advice letter.</li> <li>▪ Negligible damage.</li> <li>▪ Minor breach of stock exchange requirement.</li> <li>▪ Minor environmental contamination.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Verbal warning from authority.</li> <li>▪ Minimum fine / penalties.</li> <li>▪ Minor damage, some repair required.</li> <li>▪ Major breach of stock exchange requirement.</li> <li>▪ Contamination contained within the work area / light nuisance outside the work area.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Issuance of reprimand / warning letter.</li> <li>▪ Moderate fine / penalties.</li> <li>▪ Moderate to high damage, requires specialist to repair.</li> <li>▪ Written warning by regulatory / stock exchange authorities.</li> <li>▪ Contamination / pollution into public space causing public nuisance / discomfort.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Multiple issuance of reprimand / warning letters.</li> <li>▪ Heavy fines / penalties.</li> <li>▪ Significant / permanent damage.</li> <li>▪ Serious breach of stock exchange requirement.</li> <li>▪ Major source of contamination causing adverse public health &amp; wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant fine / penalties.</li> <li>▪ Jail sentence for directors.</li> <li>▪ Widespread, substantial / permanent damage.</li> <li>▪ Loss of listing.</li> <li>▪ Severe environmental damage (e.g. oil spill required huge cost for cleaning).</li> </ul>

### 3.2 Risk Appetite for Subsidiaries of I-Berhad Group

Impact Criteria	Magnitude of Impact					
	Insignificant	Minor	Moderate	Major	Critical	
	1	2	3	4	5	
Property Development	Development cost	▪ ≤2% cost overrun.	▪ >2% ≤5% cost overrun.	▪ >5% ≤10% cost overrun.	▪ >10% ≤20% cost overrun.	▪ >20% cost overrun.
	Project delay (LAD payable to purchaser)	▪ ≤RM500,000.	▪ >RM500,000 ≤RM1 million	▪ >RM1 million ≤RM2 million.	▪ >RM2 million ≤RM5 million.	▪ >RM5 million.
	Unsold unit (1 year after 1 <sup>st</sup> SPA date)	▪ ≤5% of total unit available.	▪ >5% ≤15% of total unit available.	▪ >15% ≤25% of total unit available.	▪ >25% ≤40% of total unit available.	▪ >40% of total unit available.
	Safety incident	▪ Only first aid required. ▪ No lost time.	▪ Out-patient. ▪ ≤5 days lost time.	▪ In-patient. ▪ >5 days lost time.	▪ Fatality or total and permanent disablement. ▪ Partial SWO.	▪ Multiple fatalities. ▪ SWO with total site closure.
	Project Delay (Duration of project handover to buyer)	▪ ≤ 1 month	▪ ≤ 3 months	▪ >3 months ≤ 6months	▪ >6 months	▪ ≥ 1 year
	Penalty CIPAA % of payment	▪ 1% of total purchase	▪ 3% of total purchase	▪ 5% of total purchase	▪ 7% of total purchase	▪ 10% of total purchase
	Number of defects per unit	▪ >3 defects	▪ >5 defects	▪ >10 defects	▪ >20 defects	▪ >30 defects

Risk Management Framework

Impact Criteria		Magnitude of Impact				
		Insignificant	Minor	Moderate	Major	Critical
		1	2	3	4	5
Property Investment	NLA	<ul style="list-style-type: none"> <li>≤ 10% of NLA not rented.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 10% ≤ 14% of NLA not rented.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 15% ≤ 19% of NLA not rented.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20% ≤ 25% of NLA not rented.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 25% of NLA not rented.</li> </ul>
	Fire safety	<ul style="list-style-type: none"> <li>No incident.</li> </ul>	<ul style="list-style-type: none"> <li>Can be put off with fire extinguisher.</li> </ul>	<ul style="list-style-type: none"> <li>Localised fire that trigger fire sprinkler.</li> <li>Evacuation required.</li> </ul>	<ul style="list-style-type: none"> <li>One floor affected by the fire.</li> <li>Evacuation with BOMBA.</li> </ul>	<ul style="list-style-type: none"> <li>Building need to cease operation.</li> </ul>
	Damage to building and equipment (e.g. fire, flood & natural disaster etc.)	<ul style="list-style-type: none"> <li>≤ 5% tenants affected.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 5% ≤ 10% tenants affected.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 10% ≤ 20% tenants affected.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20% ≤ 30% tenants affected.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 30% tenants affected.</li> </ul>
	Lift mantrap	<ul style="list-style-type: none"> <li>&lt; 5% mantrap per month (no of incidence / total no of lift).</li> <li>&lt; 15 minutes average response time.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 5% ≤ 10% mantrap per month (no of incidence / total no of lift).</li> <li>&gt; 5% ≤ 30% minutes average response time.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 10% ≤ 20% mantrap per month (no of incidence / total no of lift).</li> <li>&gt; 30% ≤ 45% minutes average response time.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20% ≤ 30% mantrap per month (no of incidence / total no of lift).</li> <li>&gt; 45% ≤ 60% minutes average response time.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 30% mantrap per month (no of incidence / total no of lift).</li> <li>&gt; 60 minutes average response time.</li> </ul>
	Lift breakdown	<ul style="list-style-type: none"> <li>&lt; 5% lift breakdown (no of incidence / total no of lift).</li> <li>&lt; 1 hour lift downtime (without spare part replacement)</li> <li>&lt; 3 days lift downtime (with spare part replacement).</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 5% ≤ 10% lift breakdown (no of incidence / total no of lift).</li> <li>&gt; 1 hour ≤ 3 hours lift downtime (without spare part replacement).</li> <li>&gt; 3 days ≤ 7 days lift downtime (with spare part replacement).</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 10% ≤ 20% lift breakdown (no of incidence / total no of lift).</li> <li>&gt; 3 hours ≤ 6 hours lift downtime (without spare part replacement).</li> <li>&gt; 1 week ≤ 2 weeks lift downtime (with spare part replacement).</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20% ≤ 30% lift breakdown (no of incidence / total no of lift).</li> <li>&gt; 6 hours ≤ 12 hours lift downtime (without spare part replacement).</li> <li>&gt; 2 weeks ≤ 8 weeks lift downtime (with spare part replacement).</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 30% lift breakdown (no of incidence / total no of lift).</li> <li>&gt; 12 hours lift downtime (without spare part replacement)</li> <li>&gt; 8 weeks lift downtime (with spare part replacement).</li> </ul>
	Power failure	<ul style="list-style-type: none"> <li>&lt; 10 minutes power disruption.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 10 minutes ≤ 20 minutes power disruption.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20 minutes ≤ 30 minutes power disruption.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 30 minutes ≤ 45 minutes power disruption.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 45 minutes power disruption.</li> </ul>
	Paid up capital	<ul style="list-style-type: none"> <li>More than 12 months of rental</li> </ul>	<ul style="list-style-type: none"> <li>12 months of rental</li> </ul>	If paid-up capital is less than 12 months of rental, <ul style="list-style-type: none"> <li>Agree to sign the personal director guarantee letter.</li> </ul>	If paid up capital is less than 12 months of rental, <ul style="list-style-type: none"> <li>Agree to sign the personal director guarantee letter.</li> <li>Blacklisted company</li> </ul>	If paid-up capital is less than 12 months of rental, <ul style="list-style-type: none"> <li>Refuse to sign the personal director guarantee letter.</li> <li>Blacklisted company</li> </ul>

Risk Management Framework

Impact Criteria		Magnitude of Impact				
		Insignificant	Minor	Moderate	Major	Critical
		1	2	3	4	5
Hotel	Room occupancy (room sold per month)	<ul style="list-style-type: none"> <li>Achieve &gt; 70% of monthly room sales.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve &gt; 60% ≤ 70% of monthly room sales.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve &gt; 50% ≤ 60% of monthly room sales.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve &gt; 40% ≤ 50% of monthly room sales.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve &lt; 40% of monthly room sales.</li> </ul>
	F&B revenue	<ul style="list-style-type: none"> <li>≤ 5% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 5% ≤ 8% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 8% ≤ 15% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 15% ≤ 20% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 20% below budget.</li> </ul>
	Food poisoning incident	<ul style="list-style-type: none"> <li>Guest / staff feedback without out-patient treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Guest / staff with out-patient treatment.</li> </ul>	<ul style="list-style-type: none"> <li>Guest / staff hospitalised.</li> </ul>	<ul style="list-style-type: none"> <li>Kitchen closed for ≤ 1 week.</li> <li>Guest / staff hospitalised.</li> </ul>	<ul style="list-style-type: none"> <li>Kitchen closed for &gt; 1 week.</li> <li>Guest / staff hospitalised.</li> </ul>
	Theft and pilferage	<ul style="list-style-type: none"> <li>≤ RM3,000 loss.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; RM3,000 ≤ RM4,000 loss.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; RM4,000 ≤ RM5,000 loss.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; RM5,000 ≤ RM8,000 loss.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; RM8,000 loss.</li> </ul>
	Fire / Explosion	<ul style="list-style-type: none"> <li>≤ 1 week closure.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 1 week ≤ 2 weeks closure.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 2 weeks ≤ 3 weeks closure.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 3 weeks ≤ 4 weeks closure.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 4 weeks closure.</li> </ul>

Risk Management Framework

Impact Criteria		Magnitude of Impact				
		Insignificant	Minor	Moderate	Major	Critical
		1	2	3	4	5
Mall	Vacancy (NLA)	▪ ≤5% NLA not rented.	▪ >5%≤10% of NLA not rented.	▪ >10%≤20% NLA not rented.	▪ >20%≤30% NLA not rented.	▪ >30% NLA not rented.
	Rental	▪ ≤5% below budget.	▪ >5%≤8% below budget.	▪ >8%≤15% below budget.	▪ >15%≤20% below budget.	▪ >20% of below budget.
	Expenses	▪ ≤5% below budget.	▪ >5%≤8% below budget.	▪ >8%≤15% below budget.	▪ >15%≤20% below budget.	▪ >20% of below budget.
	Earnings before interest, taxes, depreciation and amortization (“EBITDA”)	▪ ≤5% below budget.	▪ >5%≤8% below budget.	▪ >8%≤15% below budget.	▪ >15%≤20% below budget.	▪ >20% of below budget.
	People (Staff turnover)	▪ ≤3% of overall own staff turnover.	▪ >3%≤5% of overall own staff turnover.	▪ >5%≤7% of overall own staff turnover.	▪ >7%≤10% of overall own staff turnover.	▪ >10% of overall own staff turnover.
	Failures (power, water and telecommunication)	▪ ≤1 day of interruption.	▪ >1 day≤2 days of interruption consecutively.	▪ >2 days ≤3 days of interruption consecutively.	▪ >3 days ≤4 days of interruption consecutively.	▪ >4 days of interruption consecutively.
	Damage to building and equipment (e.g. fire, flood & natural disaster etc.)	▪ ≤5% tenants affected.	▪ >5%≤10% tenants affected.	▪ >10%≤20% tenants affected.	▪ >20%≤30% tenants affected.	▪ >30% tenants affected.
	Crimes	▪ Verbal argument. ▪ Pickpockets. ▪ Shoplifting.	▪ Vandalism.	▪ Syndicate. ▪ Stolen vehicle.	▪ Assault. ▪ Arson.	▪ Murder. ▪ Kidnapping. ▪ Rape. ▪ Armed robbery. ▪ Terrorism.

Risk Management Framework

Impact Criteria	Magnitude of Impact					
	Insignificant	Minor	Moderate	Major	Critical	
	1	2	3	4	5	
:Leisure	Revenue	<ul style="list-style-type: none"> <li>▪ ≤5% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;5% ≤8% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;8% ≤15% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;15% ≤20% below budget.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;20% below budget.</li> </ul>
	Regulatory compliance	<ul style="list-style-type: none"> <li>▪ Non-compliance – minor breach of standards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Non-compliance – verbal advice from authority.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Non-compliance – issuance of advice, reprimand or warning letter from authority.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Serious breach / non-compliance of standards.</li> <li>▪ Multiple warning letters.</li> <li>▪ Heavy fines / penalties.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant fine/penalties.</li> <li>▪ Jail sentence for directors.</li> <li>▪ Failure to renew licence – cease or suspended operation.</li> </ul>
	Safety incident	<ul style="list-style-type: none"> <li>▪ Only first aid required.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Out-patient.</li> </ul>	<ul style="list-style-type: none"> <li>▪ In-patient.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fatality or total permanent disablement.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Multiple fatalities.</li> </ul>
	Security incident	<ul style="list-style-type: none"> <li>▪ Verbal argument.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vandalism.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Intruder /trespasser.</li> <li>▪ Unauthorised/fake identity.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Smuggling activity.</li> <li>▪ Assault.</li> <li>▪ Arson.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Murder.</li> <li>▪ Kidnapping.</li> <li>▪ Armed robbery.</li> <li>▪ Terrorism.</li> </ul>
	Fire incident (for SkyPark FBO)	<ul style="list-style-type: none"> <li>▪ No incident.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can be put off with fire extinguisher.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Localised fire that trigger fire sprinkler.</li> <li>▪ Evacuation required.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1 floor affected by fire.</li> <li>▪ Evacuation with BOMBA.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Building need to cease operation.</li> </ul>
	Fire incident (for SkyPark RAC)	<ul style="list-style-type: none"> <li>▪ No incident.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can be put off with fire extinguisher.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Localised fire that trigger fire sprinkler.</li> <li>▪ Evacuation required.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1 hangar affected by fire.</li> <li>▪ Evacuation with BOMBA.</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt; 1 hangar affected by fire.</li> <li>▪ Evacuation with BOMBA</li> </ul>

#### **4.0 CONFIDENTIALITY OF RISK INFORMATION**

The information contained within any document dealing with I-Berhad Group's business risks is to be treated as highly confidential and should not be released to any outside parties without the prior written consent of the Board.

#### **5.0 DOCUMENT REVISION**

This document is endorsed by the Board. This RMF is issued and controlled by the RMC.

(a) **Framework Change Process**

The RMC will periodically review the effectiveness of this framework and as when required by the AC or the Board. Changes to this RMF may only be made after being endorsement by the Board. Any changes to this framework will result in a change to the revision status and complete reissue of the RMF.

(b) **Record of Changes**

Records of all changes made to the RMF will be maintained by the Risk Management Department.