

RISK POLICY

ELEMENTS OF RISK POLICY

- **RISK MANAGEMENT OBJECTIVES** : Which objectives do we want to achieve?
- **RISK PHILOSOPHY AND ATTITUDE** : which principles do we want to follow?
- **RISK APPETITE** : Which risk are we prepared to accept and which not?
- **RISK ARCHITECTURE** : Risk management process, role & responsibilities, reporting etc.

OBJECTIVES

- Understand which are the main uncertainties
- Integrate risk and opportunities in management processes
- Comply with risk capabilities and appetite
- Increase risk management know how across ORL
- Develop risk reaction capacity
- Comply with best practices

RISK LEVELS

- A. MINIMAL-** only options with a very small portion of risk will be considered
- Human resources
 - Health and safety
 - Environment foot print
 - Compliance
 - Compliance and reliability of financial reporting
 - Reputation
 - Risk comprising the existence of the Company
- B. MODERATE** - If the likelihood of success remains pre dominant (70/30 or higher) a small portion of risk is acceptable in exchange for a possible return.
- Globalization risk (political, financial & regulatory)
 - Margin over volume
 - Operation and plant structure
 - Product and service quality
 - Project selection and realization
- C. OPEN-** A balanced portion of risk and opportunities (50/50) is acceptable in exchange for a higher return
- Innovation (product services and processes)

RISK REPORTING

- Four risk reporting per year, once in a each year
- Any time if material change occur

ROLE & RESOPNSIBILITIES

A. MANAGEMENT COMMITTEE (BOARD)

- Define risk policy and risk appetite
- Allocate resources to projects with adequate risk/return profile

B. RISK OWNERS

- Identify and assess risk and opportunities in the areas of responsibility
- Suggest and supplement action

C. RISK CO-ORDINATORS/MANAGERS

- Validate risks, opportunities and associated actions;
- Monitor risks and opportunities and co-ordinate them with their areas of responsibilities,
- Prepare risk reports to the management and board.

D. ACTIONS AND MEASURES

Risk owners identify actions to be implemented to:

- Treat the risks
- Seize the opportunities
- Actions to be defined for every risk/opportunities (or accept the risk)

E. REPORTING LIMIT

General reporting limit:

- All material and major risks
- All material and high opportunities
- **Accounting Limit:** Expected value (impact*likelihood of occurrence) higher than EURO 50,000.