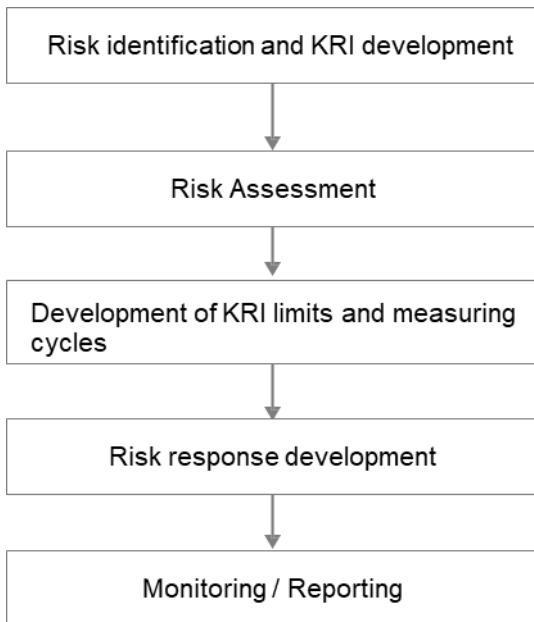


# Walkerhill Risk Management Process

- ❖ **Risk:** Potential likelihood of or the possibility of significant future losses from unpredictable accidents related to SHE (Safety, Health and Environment) events that may cause negative impact on the efforts of Walkerhill to achieve its business goals.
- ❖ **Enterprise Risk Management (ERM):** A continuous process, applied at the enterprise level of Walkerhill to: identify potential risks related to SHE that may influence its business; appropriately manage those risks within a certain range of allowable limits; and, prepare and implement reasonable countermeasures so as to assist Walkerhill to achieve its business goals
- ❖ **Key Risk Indicators (KRI):** Measurable and controllable risk indicators, among the ones identified earlier, that may have significant influence on the efforts of Walkerhill to achieve its business goals.
- ❖ **ERM Process**



- At the beginning of each year, the company identifies, analyzes and selects potential risks that may occur in relation to its business goals.
- Risks are selected based on likelihood and level of significance
- KRI limits (high, medium, low)\* and measuring cycles (monthly, quarterly, half-yearly, annually)
- Countermeasures are developed and implemented if KRI measurement values are high/medium.

\* KRI Limits

Category	Description
High	Risk is way beyond the allowable limit. The Company may suffer an extremely serious loss if measures are not taken immediately.
Medium	Risk is slightly over the normal value. Caution is required. Initial countermeasures should be examined and make preparations as necessary.
Low	Normal measurement values that are set within allowable limits.