



Risk Management Policy

Introduction

All companies and organizations face various risks that hinder the operational and strategic goals of the company therefore, procedures, systems and rules have been established to face risks accompanying companies' various activities aiming at sustainable development for each activity to allow stable and increasing growth rates. This is conducted within the organizational structure framework through a specialized department by indicating and evaluating risks as well as periodically auditing these risks by using accurate and professional methods.

Corporate Governance

According to Egyptian law regulations, Egyptian Stock Exchange rules, company corporate governance code as well as related policies, the effectiveness of the internal audit and internal control within the company must be improved to allow increasing and sustainable growth rates to ensure that all related parties understand the definition of risk management as well as its organizing rules. These related parties must be aware of their responsibilities related to risk management accompanying all company's activities.

Risk Management Definition

It is the general structure as well as operations and business framework through which the following are being conducted:

- Identifying and understanding all types of risks that face the company.
- Estimating potential risks and methods to avoid them to decrease their effect.
- Identifying risk volume that the company is willing to endure on the basis of risk value versus risk mitigation cost so that decision making process would be based on information availability in addition to other factors.
- Lessening the possibility of risk occurrence as well as actual loss volume.
- Lessening mystery and uncertainty in the results of all company activities and operations.

Types of Risks

- **Strategic Risks:** This type includes the risks that affect company strategies to be able to correctly identify strategic goals.
- **Operational Risks:** This type includes risks related to company's main activities as well as risks resulting from daily operations of assisting departments.
- **Financial Risks:** This type includes financial risks that face the company.
- **Personnel Risks:** This type includes risks related to employees as well as all company stakeholders.
- **Organizational Risks:** This type includes the risks that happen as a result of violation of company's rules, systems or regulations or as a result of lack of identification of rights and duties.
- **Assets Risks:** This type includes the risks that affect the company's assets.



Reasons for having Risk Management

To develop new managerial techniques to face threats and to grab opportunities as well as to maintain available ones, activating best practices in the company's activities to increase related parties' confidence in our abilities by maintaining the balance between risks and opportunities.

Role and Goals of Risk Management

- Preparing Risk Management strategy and policy and cooperating on the operational and strategic level regarding risk management.
- Establishing educational awareness for risks inside the company including relevant training.
- Preparing company's risk map with the participation of all company's employees from different departments to ensure studying and analyzing all risks as well as reaching effective plans to avoid, lessen or prevent all types of risks and issuing follow up and communication procedures to clarify change in all types of risks.
- Presenting risk map to company's board of directors to discuss priorities as well as financial needs and suggested recommendations.
- Providing information regarding current as well as future risks and facilitating their availability so that this information will help managers and employees to take suitable decisions at the suitable time.
- Using effective methods to manage risks to be able to identify, assess, manage as well as audit risks in order to establish best practices to protect stakeholders' interests through following these procedures to reflect the credibility in risk management procedures and data.
- Developing risk combating operations that include emergency programs as well as activities' sustainability.
- Periodic follow up on the implementation of the plans related to combating risks.

Risk Management Scope of Work

The scope of work covers all company's departments including activities and operations.