Enterprise Risk Management (ERM) MANUAL

PNB Holdings Corporation (PHC)

Table of Contents

Introduction

PHC's Enterprise Risk Management

As the business environment poses new challenges brought about by new technology and regulations, PHC should be at forefront of all these dynamic changes and be able to address emerging business models in the real estate industry where it belongs and, in the market where it plays. With PHC's business becoming complex, the practice of delegating decision-making responsibilities to separate individuals, groups, and committees is becoming more apparent and needed to professionalize its governance and operations. With these emerging business models enabled by technology, the challenges posed by regulators as well as the socio-political environment where the Company operates, there is a need for the board to be more involved in providing adequate oversight and for executive management to be more pro-active to ensure the achievement of company's goals and objectives. The environment now is no longer business as usual but business unusual as there are unexplored or unchartered territories that can easily change the landscape of the competition.

In response to the emerging trends in the business environment, the concept of risk management became one of the topics that have been talked about in recent years globally. Likewise, our risk management evolved from the usual financial risk management to an expanded business risk management. Overtime, we realized that to be able to maximize the limited resources of the company, we need to move our risk management approach from the compartmentalized or silo approach to a more integrated, cross-functional, and collaborative approach- Enterprise Risk Management that aligns our company's strategy, processes, people, technology, and knowledge to manage the level of exposure and uncertainties that we face as an enterprise in our value creation activities. As risk is inherent in all opportunities, ERM can serve as a bridge between our organization's strategic direction and aligned operational execution.

Accordingly, PHC's goal is to have a more structured approach in managing risks that will guide our risk owners in making sure that we aim at the same business objectives and ambition.

The Enterprise Risk Management Framework (Framework) aims to provide a foundation and organizational arrangements to effectively plan, implement, monitor, review, and continually improve risk management throughout the organization.

This effort helps address the following goals:

- Establish an ERM process that is designed to enable PHC to focus on and manage business risks that matter the most; and
- Enhance ability to successfully implement a risk management process.

Further, this Framework will help ensure that information about risks derived from the risk management process is adequately reported and used as a basis of decision-making and accountability at all relevant organizational levels.

To ensure significance and practicality, the Framework is continuously assessed and amended on a regular basis.

RISK APPETITE STATEMENT

A. Risk Appetite Statement

Our risk appetite is an integral part of our objective setting and development of our strategies to get to those objectives. As our vision is to expand our project portfolio, we will focus our resources on expansion projects that will give us our targeted return on investment (ROI).

We will consider the crime rate in choosing the locations where we will construct our projects to execute our expansion plans. We will also consider that our present and future development plans will not cause significant damage to the environment.

To operationalize our risk appetite, we will also develop appropriate risk tolerance levels for each category of PHC's business risks.

RISK MANAGEMENT POLICY

B. Risk Management Policy

B.1. Introduction

This Overall Enterprise Risk Management Policy ("the ERM Policy") provides the guidelines for managing risks across PHC. It contains the fundamental policies to guide all PHC personnel, including Executive Management and the Board of Directors, who are directly or indirectly involved in the strategic, operations, compliance, and financial activities of the Company. This will serve as the road map for the executive risk owners to make appropriate actions and decisions pertaining to the management of the Company's portfolio of risks.

B.1.a. Purpose

This ERM Policy forms part of PHC's Enterprise Risk Management Manual and shall:

1. Establish the risk management vision, goals, and objectives of the Company;
2. Provide an enterprise-wide risk management framework, structure, and organization that support the achievement of the Company's risk management vision, goals, and objectives;
3. Define the roles and responsibilities of PHC's Board of Directors ("BOD" or "the Board"), senior management, officers, and all employees regarding the Company's risk management processes and activities.
4. Establish a common culture and language that promote consistent definition and understanding of risks and their related impact to the Company's business; and
5. Establish a consistent and enterprise-wide approach in identifying and prioritizing risks, analyzing inter-relationship among risks, identifying the drivers and sources of risks, development of strategies and action plans in managing risks, monitoring, and reporting on the implementation of risk management strategies and action plans, and evaluating the effectiveness of the overall risk management process for continuous improvement.

B.1.b. Scope

This ERM Policy applies only to PHC**.**

B.1.c. Enterprise Risk Management Vision

PHC's ERM shall serve as one of the Company's key enablers to achieve Company's objectives and/or the successful execution of the strategies to achieve those objectives.

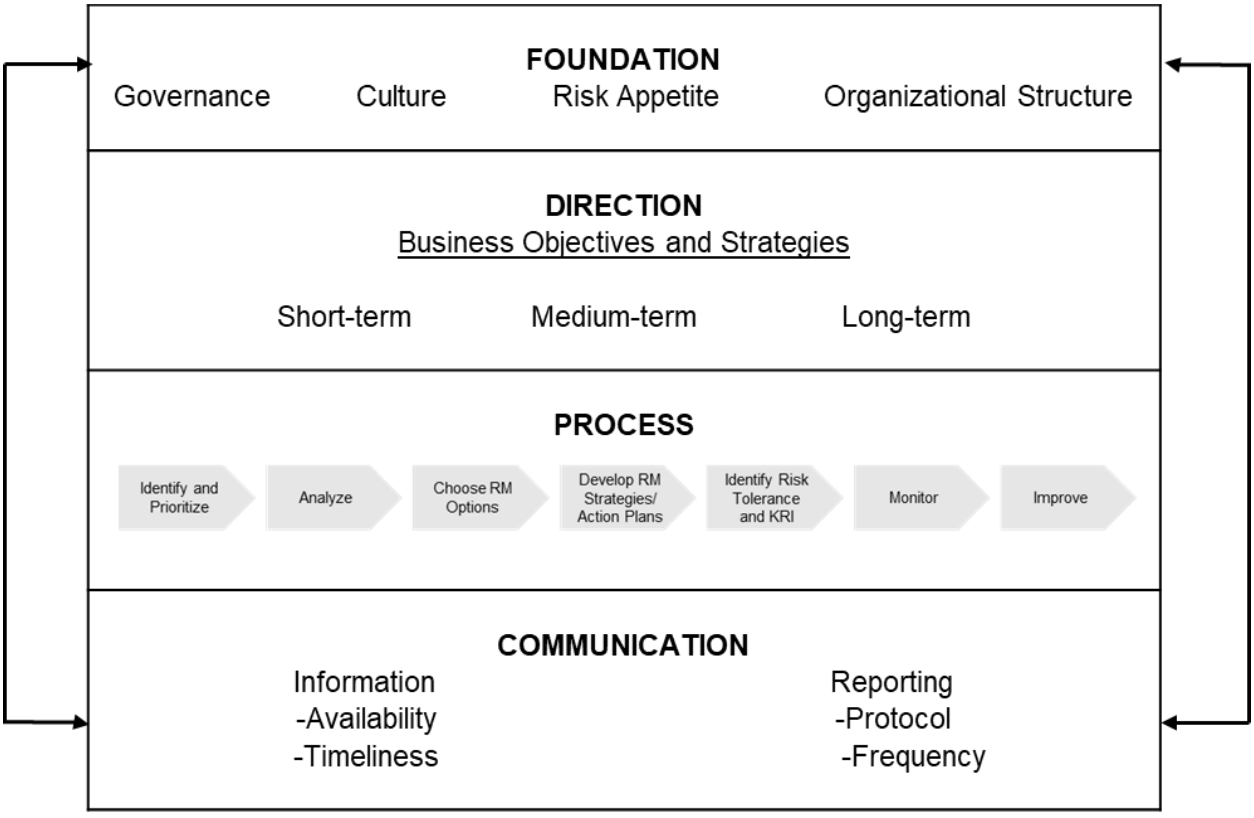
B.1.d. ERM Goals and Objectives

ERM helps PHC to realize its risk management vision by:

1. Establishing a sustainable risk management approach to enable PHC to focus on and manage its critical risks;
2. Embed risk management into the day-to-day activities of PHC officers and employees;
3. Link and integrate our risk management process into our business and strategic planning, and decision-making process; and
4. Provide a structured framework that will be the backbone of PHC's risk management process.

B.2. ERM Framework

Figure 1 –Enterprise Risk Management Framework



B.2.a Components of the framework

Foundation

This component includes the following:

1. **Governance.** The effective implementation of the Framework is primarily dependent on those charged with governance. This is where the tone at the top is critical and demonstrate the commitment of leadership to implement the ERM Program across the Company. It is envisioned to be robust and shall be continuously calibrated to cater to the needs of PHC in achieving its objectives desired state.
2. **Culture.** This should be an embedded process and a way of life to all people in the organization as they run the day-to-day activities of the PHC. This is where the core values influence all members in the organization in taking and managing risks.
3. **Risk appetite.** Driven also by PHC's culture, the board and key members of the organization establish their risk appetite in their goal setting and in developing the strategies to get to those business objectives.
4. **Organizational structure**. Every individual in the organization is a risk owner as they execute process/es leading to the management of risks. Thus, we consider our organizational structure in determining the owners of risks as well as their accountabilities and responsibilities. However, our holistic approach to risks management is to integrate multiple owners of risks if these risk owners will be exposed to the same risks or inter-related risks. This objective can only be achieved once the risk management mindset has been made cross-functional and embedded into PHC's organizational purpose, governance, leadership and commitment, strategy, objectives, and day-to-day operations.

Direction

This component is making sure that PHC's risk management activities are linked to the company's business objectives and strategies. This component ensures that critical uncertainties that will not allow the company to achieve its business objectives or execute the strategies successfully to achieves those business objectives are properly managed and reduced to acceptable levels.

Integrating risk management in PHC is a continuous process and was designed to address the company's needs. It is integrated from strategic planning all the way to the execution of the different processes and practices. It is not a stand-alone or ad-hoc activity but is part of the day-to-day activities of the people from the Executive team down to the rank and file who will be exposed or part of managing the risks.

Process

After considering the available components laying down the foundation and the business objectives of PHC, the next important component of the framework is to have an effective risk management process or approach in place. The illustration in the framework showed five activities and are discussed separately in this manual.

Communication

The risk management process and its outcomes should be documented and reported to enhance the quality of dialogue with stakeholders and support top management and oversight bodies in meeting their responsibilities. Decisions concerning the creation, retention and handling of documented information should be taken into account, but not limited to their use and information sensitivity in the external and internal context.

Interconnected

All the components of PHC's ERM Framework are all integrated and embedded in the processes of the organization.

B.2.b. Institutionalize ERM

At the onset of the ERM process, PHC shall establish the context in which risk management will be conducted. This requires consideration of the risk management goals and objectives, the risk management oversight structure. PHC implements ERM as its approach to risk management. Being a highly integrated approach, a common risk language should be developed by the company to facilitate the cross-functional and collaborative nature of this approach. Our ERM is anchored on the following foundational activities

1. **Establish ERM Goals and Objectives**

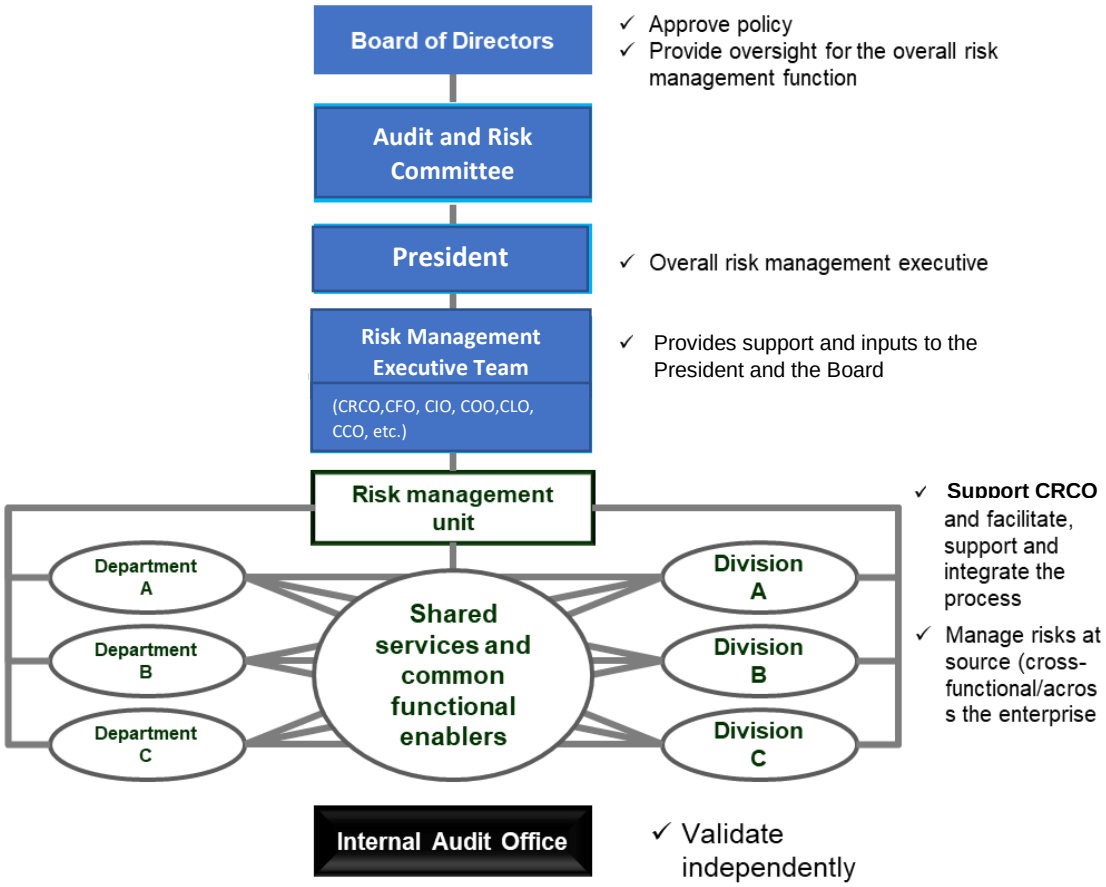
   ERM is aligned with the Company's strategic goals and objectives. This shall be done by establishing risk management goals and objectives that are geared towards the attainment of the Company's risk management vision, strategic goals and objectives that are consistent with its risk appetite.

2. **Establish ERM Oversight Structure**

   To ensure the successful implementation of PHC's ERM, it is important that a risk management structure is in place to have an integrated and independent

view of the enterprise-wide risks across the different risks' categories (i.e., strategic, operations, compliance and financial). This will allow the Company to reduce any gaps in risk coverage, risk management functional inefficiencies and overlaps, and confusion among concerned personnel due to lack of structured communication and reporting lines.

The Company's ERM oversight structure is illustrated below:



Stakeholders	Responsibilities
1. Board of Directors (Board)	▪ Provides an oversight role to risk management activities including the periodic review and approval of the ERM Policy, ERM Framework and ERM Process through the Audit and Risk Committee
2. Audit and Risk Committee (A&RC)	▪ Assists the Board in fulfilling its responsibility for oversight of the organization's risk management activities. ▪ Sets the risk appetite of the organization
3. President	▪ Is the ultimate risk executive and is essentially responsible for ERM priorities, strategies, and policies. ▪ Heads the Risk Executive Committee ("REC") that set the direction and leads the decision-making as they relate to: ➢ Recognition of risk priorities; ➢ Alignment of business objectives and risk strategies, action plans and policies; and ➢ Settlement of conflicts regarding ERM strategies and action plans. ▪ Ensures that sufficient resources of the organization are allocated in pursuing ERM initiatives, strategies, and action plans. ▪ Reports to the AR&C on a regular basis on ERM related matters.
4. Risk Management Executive Team (RMET)	▪ Is the ERM think tank; defines risk priorities, aligning risk policies and strategies with overall company plan.
5. Chief Risk and Compliance Officer (CRCO)	▪ Is the champion of ERM process in the organization; develops, implements risk management process, tools, and methodologies; analyzes, develops, and executes policies and reports risks; submits risk report to the AR&C; monitors the implementation of the risk management strategies and action plans.

Stakeholders	Responsibilities
6. Risk Management Unit (RMU)	▪ Is composed of the different Risk Leaders and Risk Owners that support the REC in the implementation of the ERM Process. ▪ Suggests to the RMET the development of additional ERM Policies and other related guidelines. ▪ Supervises, supports, and incorporates the ERM processes across the organization in coordination with the RMET, Risk Leaders, and Risk Owners. ▪ Gathers and evaluates the risks reports provided by the Risk Leaders and Risk Owners and monitors the status of risk management strategies and action plans. ▪ Organizes the sharing of best practices across the organization. ▪ Supports the CRCO in preparing ERM reports and materials to be presented to RMET and A&RC. ▪ Drives the continuous improvement of the organization's current ERM process.
7. Risk Leaders	▪ Leads the Risk Owners under each identified risk in the consistent execution and continuous improvement of the risk mitigation strategies in the ERM process for the risk that they are responsible for. ▪ Constantly reviews and provides updates in how the risk is transforming and ensures that emerging risks are identified and included. ▪ Guides the Risk Owners in making reports to be forwarded to the CRCO and RMET.

Stakeholders	Responsibilities
8. Risk Owners	▪ Has the responsibility for and ownership of the assigned risks and interrelated risks. ▪ Actively participates in the risk identification process of PHC Company. ▪ Performs risk prioritization, analysis, development of strategies and actions plans, and coordination with other Risk Owners. ▪ Assesses and communicates the progress of risk management strategies and action plans to the Risk Leaders and CRCO.
9. All personnel	▪ Maintains awareness of and consciousness about ERM, as well as how the identified risks will impact their roles and responsibilities in organization. ▪ Embeds risk management as part of their everyday activities. ▪ Executes the formulated risk management strategies to ensure the achievement of the organization's objectives and successful execution of its strategies. ▪ Communicates to their immediate superiors any risk that they cannot manage. ▪ Reports emerging risks/ opportunities to Risk Leader in the course of their risk management execution.
10. Internal Audit	▪ Provides independent assessment of the effectiveness of the ERM framework, process, and the strategies formulated to treat the risks identified.

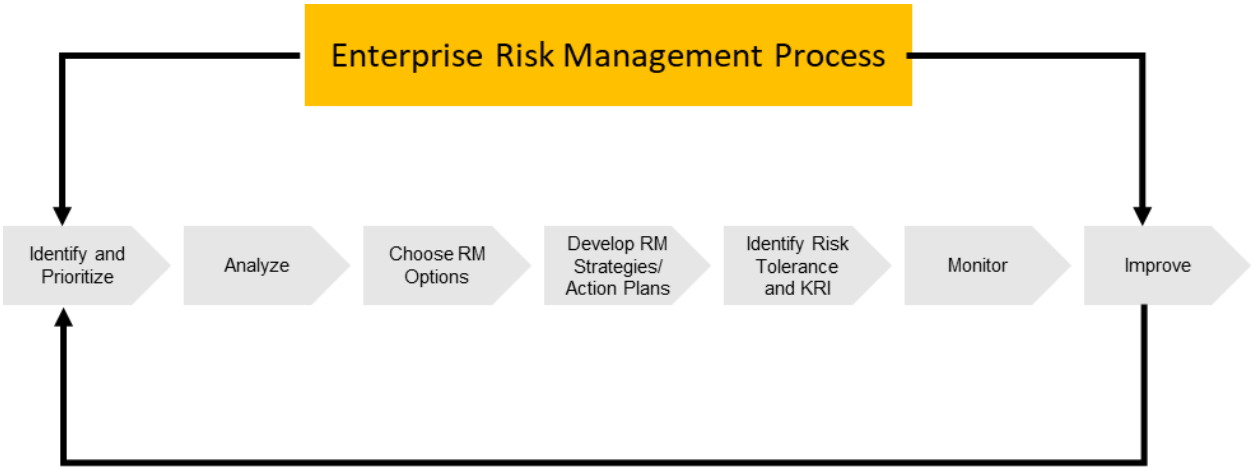
3. Develop Common Language

To enhance clarity of communication and action on risk-related matters, PHC shall ensure that a common risk language as embodied in the Company's risk dictionary exists, communicated, and understood by all employees at all relevant levels of the organization. PHC shall also ensure that the common risk language is continuously updated and modified to include new and emerging risks by considering factors that are both internal and external to the

Company. This shall be done through the review of the risk dictionary at least annually or if there are any changes in the environment which will warrant the team to revisit the Risk Dictionary earlier than scheduled.

B.2.c. PHC's Enterprise Risk Management Process

PHC's risk management process aims to ensure that critical risks of the Company are identified and assessed.



The overall process of PHC's risk assessment involves a structured process for identifying and assessing risks that will not allow the achievement of the organization's objectives.

Based on the risk management approach, risk assessment is comprised of two significant steps namely: (1) risk identification and prioritization, and (2) risk analysis.

The next step is to determine the risk options. If the risk is inherent to the company's business or operations, then the risk will have to be accepted but reduced by developing risk management strategies and action plans).

Identifying the Risk Tolerance (or sometimes KPIs) for each risk and identifying the Key Risk Indicators are the next steps which will impact if the residual risks is acceptable or not. If not tolerable, enhance or change risk the treatment;

The last two steps are the cyclical processes of monitoring both the effectiveness of the risks treatments as well as the effectiveness of the ERM process that may need to continuously improve, as needed.

Monitoring of the ERM process is a combination of regular communications, key risk indicators, periodic audits, and assessments by different functions at appropriate levels of PHC.

B.2.c.1. Assess Business Risks

PHC shall identify and prioritize risks that are relevant and critical to its business by using the following guidelines:

1. Taking into account the context of the risk management process, PHC shall identify risks that could be relevant and significant to the Company's business by conducting surveys, interviews, brainstorming, and facilitated sessions with the members of the ManCom and RMU and other relevant personnel (collectively, "the ERM participants") identified by management to participate in the ERM process. The objective of this activity is to come up with the Company's risk universe or to revisit the existing risk universe.

2. Based on the responses of the ERM participants, PHC shall update the risk dictionary by including "new" risks that were identified by the respondents in addition to the risks listed in the current risk dictionary. PHC shall ensure that the newly identified risks are grouped appropriately in the risk dictionary into four categories, namely, strategic, operations, compliance, and financial.

3. Once relevant and critical risks have been identified or modified, PHC shall prioritize risks in terms of severity of impact and likelihood of occurrence to come up with the Company's initial risk profile.

4. PHC shall present the top risks included in its initial risk profile to the A&RC of the BOD for validation and updating of the initial risk profile, as necessary. The objective of this presentation is to come up with the final Company risk profile and the corresponding top risks. PHC shall then analyze the relationship of the top risks that are part of the Company's risk profile with other risks to identify the highly-leveraged risks, or those risks that when managed will significantly contribute to the effective mitigation or management of the top risks.

5. Upon identification of the top risks and highly leveraged risks, PHC shall analyze the drivers and sources of these risks, or simply identifying their root causes (e.g., "Why and how does the risk occur?" and "Where does it originate from?") After this activity, PHC shall assess and identify those risks, considering their drivers and sources, which need to be prioritized and acted upon immediately.

6. PHC shall also identify the owners of the risks. The lead risk owners or the Risk Leaders shall be identified after evaluation of the specific functions or processes to which the risks relate.

7. PHC shall compare the results of the risk analysis with the established risk criteria to determine where additional action is required. This can lead to a decision to:
    - Accept the risk and do nothing further;
    - Consider risk treatment options;
    - Further analyze to better understand the risk;
    - Maintain existing controls;
    - Reconsider objectives.

B.2.c.2. Develop RM Strategies/action plans or enhance existing ones

After identifying, prioritizing, and analyzing risks, PHC shall develop risk management strategies to manage risks consistent with the Company's strategic goals and objectives and risk appetite. The following table of options shall be used by PHC as guidance in developing its risk management strategies:

ACCEPT:	
RETAIN	
• No action	Inherent in the business but the current level of residual risk is acceptable.
• Premium Price	Consider the risk and reward concept. The higher the risk, the higher the price of the products or services.
• Reserve	Build a reserve through periodic charges to operations or appropriation of retained earnings (in accordance with accounting standards) to prepare for the financial impact of consequence of the risk if it happens. -
• Offset	Identify rewards of other risks that can soften the impact of the risk being managed. For example, in a situation where there is a currency risk brough about by the depreciation in currency, a losing importing subsidiary can be managed by the increase in the exporting activities of the exporting subsidiary.
MODERATE	

• Spread	Disperse the risk rather be vulnerable to concentration risk. This could be having financial resources deposited in several banks, having the plants located in various locations, or physical or information assets geographically to reduce risk of unacceptable catastrophic losses
• Risk Management/ Control	Develop a risk management plan by designing and implementing controls to ensure that process risks will not occur and/or through risk management strategies to address strategic risks and reduce these risks to an acceptable level.
EXPLOIT	
• Take advantage	Making the risk work for the company rather than against it. Identify new opportunities brought about by the risk. For example, identify products or services that will mitigate the impact of the risk.
• Diversify	financial, physical, customer, employee/supplier and organizational asset holding used by firm's business model
• Expand	business portfolio by investing in new industries, geographic areas and/or customer groups
• Create	new value-adding products, services, and channels
• Redesign	the firm's business model, i.e., its unique combination of assets and technologies for creating value
• Restructure	Redesign the company's processes that will result to maximum result and exploit the by-product. Roe example, if the company has perfected its new ERP roll-out by organizing a strong IT team, this strong IT team or group can be incorporated and create an advisory or consulting services not only servicing internal requirements but also those requiring the same expertise in migrating to this ERP. The new company can also specialize on other IT products and services and generate additional revenue.
TRANSFER	
• Insure/Reinsure	The traditional risk management option. Transferring the risk by having the risk covered by

	insurance policy provided by an independent insurance company. However, insuring the risk does not totally eliminate the risk, but it is transformed to another risk- the failure of the company to identify a financially capable insurance company that can fully cover the losses.
• Outsource	If the company has no capability to manage an identified risk, it can outsource the risk management to a third party. For example, one risk identified is physical security and/or health and safety, then these can be outsourced to third parties specializing in these areas. Again, like insurance, the risk is just transformed to another risk.
• Hedge	Hedge has some similarities with insurance except that this is in a form of financial instruments that protect the company from financial risks. Examples include forward contracts, futures, etc.
• Alliance	Forming a business relationship in pursuit of a particular venture where the risk and rewards are shared with another party. This includes forming a joint venture (incorporated or unincorporated) or consortium.

PHC does not reject or avoid the risks particularly if such risks are inherent in its value creation. As the corporate strategies have been developed during the company's business planning by the Board and management to achieve the company's objectives, these strategies should be sound and should not carry with it risks that are beyond the company's risk appetite.

Based on the approved risks management strategies, PHC shall develop specific action plans to support the implementation of these strategies. PHC shall ensure that appropriate communication protocols and channels exist to support the execution of action plans that require coordinated effort across business functions.

B.2.c.3. Monitor and Report on the ERM process

PHC shall continuously monitor the risks and effectiveness of the implementation of the strategies/action plans. This shall be done by ensuring that risk management is a regular agenda item in BOD (through

the A&RC), ManCom, and functional level meetings. PHC shall also ensure that all initiatives pertaining to the overall ERM process are continuously monitored and regularly reported to the appropriate stakeholders in the Company. Monitoring of the ERM process shall be applied on: 1) existing priority risks; 2) new emerging risks; 3) risk management performance; and 4) specific policies and procedures both at the enterprise-wide and business function levels.

The ERM process and its outcomes should be documented and reported to enhance the quality of dialogue with stakeholders and support top management and oversight bodies in meeting their responsibilities. Decisions concerning the creation, retention and handling of documented information should take into account, but not be limited to: their use, information sensitivity and the external and internal context.

The Internal Audit function shall provide an independent assurance on the effectiveness of controls and compliance with the ERM framework. Any material weaknesses or significant control deficiencies identified shall be reported and presented to the RMET and AR&C together with the actions being taken to resolve the issues or to follow up on the resolution of long-outstanding issues.

B.2.d. Continuously Improve the ERM process

1. PHC shall evaluate and implement any improvements to policies, processes, people, management reports, methodologies, and systems and data that are identified through monitoring consistent with the Company's continuing improvement philosophy. PHC shall ensure that appropriate coordination is in place among ERM stakeholders to identify and evaluate these improvement opportunities through the regular monitoring of action plans and assessment of risk management strategies being implemented.
2. PHC shall assess the effectiveness of the ERM process through regular feedback and assessment with Lead Owners and other risk management stakeholders.
3. Common risk language and risk management framework, tools, and methodologies shall form part of PHC's training programs to help employees enhance their understanding of the Company's common risk language and ERM processes and activities.

RISK PROFILE

C. Risk Profile

PHC's risk profile reflects its desire to focus on sustained leadership and strong commitment to create sustainable long-term value to its various stakeholders. This includes providing products and services of high quality that will impact its customer over the long term

PHC's risks are identified as those that will prevent the company from achieving its business objectives as well as take the rewards if objectives are met.

PHC's risks are subdivided into categories specifically strategic, operational, financial compliance categories and business interruption. Its risk universe also considers new and emerging risks arising from constantly changing economic demands, advances in modern technology, and new regulatory environments, among others.

Top ten risks

The default number of critical risks as agreed with the A&RC and RMET is 10. However, this can change depending on the risks that are being evaluated. From the Top ten risks, PHC will determine the highly leveraged risks.

Highly Leveraged Risk (optional)

Highly leveraged risks are risks that can be related to other risks, when managed well will be able to manage the interrelated risks. Identifying highly leveraged risks will result to more efficient and targeted approach to manage risks and clusters rather than implementing redundant controls and risk management strategies.

Since the company's risk profile change from year to year or in an instant (depending on new developments in the business as well as regulatory environment), the following are maintained in separate files:

1. Risk universe
2. Risk dictionary
3. Risk profile and related analyses
4. Risk Analysis and Treatment templates
5. Risk Reports

RISK REPORTS AND REGULAR ACTIVITIES

D. Risk Reports and Regular Activities

The CRCO will report to the A&RC in behalf of the President. The following reports are expected to be presented:

1. Top ten critical risks and the highly leveraged risks
2. Risk analysis (sourcing and interrelationship)
3. Risk options and risk management action plans
4. Progress of the development of new action plans
5. Monitoring of the effectiveness of the action plans to manage the risks

Other reports may be requested by the A&RC and RMET depending on the circumstances that will warrant a special session (i.e., emerging business risks).

Aside from reporting, PHC's risk profile will have to be revisited using a "Refresh and Reset" approach. The refresh is more of revisiting the risk profile in case there is for updating. A reset is more of starting again from zero to have a fresh look at the environment and the risks that may impact the value creation of the company.

ERM Refresh (Every year)	ERM Reset (Every after 3 years)
Activities:	Activities
1. ERM refresher on concepts 2. Review of the previous year's Risk Universe 3. Revisit previous year's top 10 business risks 4. Given the current environment, identify critical risks that are new and emerging that should be considered. 5. Add the risks identified in No.4 above to the previous year's top 10 business risks. These risks will form part of the prioritization exercise to identify the current year's Top 10 business risks 6. Update the current year's Risk universe for those identified new and emerging risks. 7. From the total business risks identified in No. 5 above, prioritize the risks in terms of its impact and likelihood to identify the top 10 risks in terms of the level of risk.	1. Circulate a web-based Risk Assessment Survey tool to identify the relevant risks to the company. As this is a total reset, the risk universe will again be determined from scratch. 2. Gather the responses from the identified respondents. 3. From the responses, the ERM team will compile the result to identify the tiering of the risks that are identified as relevant based on certain parameters of votes. The team will also consider additional risks not in the list of the survey but identified by the respondents. 4. The result in Number 3 will be the new Risk Universe of the company and their definition will now be the new risk dictionary. 5. The identified participants (usually the RMU) are now called to a plenary session for the CRCO to present the

8. Through the use of consensus voting, determine the effectiveness of the mitigating controls for those risks that belong to the top 10 risks. 9. For those risks identified in No.7, identify the owner or group of owners of those risks. 10. The identified risk owners will then revisit the articulation maps for those risks which were identified in previous year(s) and update or modify them. For those risks that are new and emerging, the risk owners will develop their risk management strategies and action plans to manage those risks and complete a new template. 11. This will now be the company's new risk profile and will be monitored.	result and deliberate on the additional risks if these will be included or not in the tiering. Tiers 1 & 2 are the candidates for further assessment. 6. The RMU is now grouped into small groups to discuss tiers 1&2 but will not vote as a group but individually. 7. RMU members are given X number of sticky dots (depending on the n/3 formula) Using sticky dots, the RMU member will now go to the gallery (posted tiers 1 & 2 with definition) to post to the color-coded paper where the risk and its definition and written. 8. The top 10-12 risks getting the highest votes will now be called the final tier 1 risks and will undergo prioritization using the voting technology. 9. RMU will now prioritize the risks in terms of impact and likelihood to get the level of risks. They will then prioritize according to this level. These risks will also undergo assessment of the effectiveness of existing risk management strategies to get the "perceived" residual risks. 10. Risk owners are now identified to manage the risks. 11. These prioritized risks will undergo risk analysis as follows: a. Risk Interrelationship to identify the highly leveraged risks b. Bow-tie analysis (to identify the cause and consequence) 12. Once the causes have been identified, the risk owners will now develop their risk management strategies and action plans and document these in the Risk Analysis & Treatment (RAT) template. 13. Each cause needs an action plan. 14. The risk owners will also develop the mitigating controls to address the impact of the consequence of these risks if preventive measures fail to catch them or if no preventive controls are identified. 15. This will now be discussed with the RMET for validation.

	16. These will be summarized by the CRCO and his team into a risk register to monitor the execution of the action plans and its effectiveness. 17. This will be the company's new risk profile and will be refreshed every year until the next reset.

When there are significant changes in the business and regulatory environment, revisiting PHC's risk profile can be done without waiting for this default timeline.