

Z Ç / [ • W Œ • ] v š v K U • š Œ š Z % Œ } P Œ u ] u % o u v š  
Committee and Risk Management Council periodically meet to discuss major risks that were encountered or are evolving and corresponding approaches / solutions to risks.

3. The Risk Management Department reports to the President and CEO and assists the Risk Department in the identification, assessment, and mitigation of risks. The Risk Management Department also provides guidance and support to the Risk Owners on the technicalities of their risk management functions.
4. The management teams of operating units, subsidiaries and projects concurrently function as risk management teams with its chiefs as the risk owners. The chief of each operating units, subsidiaries and projects are responsible for the day-to-day management of risks to which their units are exposed. They are always on the look for evolving new risks which are immediately cascaded up and down the organization.

### Risk Management Processes

Risk management in EEI is implemented through the execution of four (4) processes:

1. Risk identification - risk owners look for indicators such as trends, changes in the operating environment, peculiarities of new projects, changes in the market place, economic shifts, political upheavals, disasters and unusual events which may signify probable impending events

4. Risk Monitoring Risks along with corresponding control measures are regularly (usually on a monthly basis) monitored. The risk owners report the status of risks and controls to the Risk Management Department through the risk registers. All risks that bear significant effects to the company including risk owners control measures are reported by the Risk Management Department to the Risk Management Council and Risk Management Committee for their assessment.

#### Risk Management Review

Every year, the Risk Management Council with the help of the Risk Management Department reviews the performance of the risk management organization and processes. The main objective of this review is to identify weaknesses and strengths in risk management efforts so that action plans to minimize, if not eliminate such weaknesses and maximize such strengths formulated.

The Risk Management Committee for its own risk management review process. The Committee also reviews the performance of the risk management organization and processes together with the action plans that the Council proposed. The Committee assesses if the strengths and weaknesses identified are comprehensive and corresponding action plans are appropriate not only to protect the interest of the company but also other stakeholders primarily, the shareholders. All approved action plans are then relayed by the Risk Management Department to the Council members and then cascaded down to the risk owners for implementation.

