

**ANGLO PHILIPPINE HOLDINGS CORPORATION (APHC)**  
***Risk Management Policy***

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***General Policy Statement***

Anglo Philippine Holdings Corporation (APHC) is a publicly listed company with investments in natural resources, property development and infrastructure. APHC's right to operate, and its reputation, as a publicly-listed company wholly depends upon its adherence to the prevailing laws, regulations, and technical & industry standards.

APHC's management has a focused obligation to manage the risks inherent to its business which, coupled with individual leadership and accountability, empowers APHC to operate profitably while promoting its Risk Management Policy (the "Policy").

The Board and Management are committed to ensuring that they plan and perform the business activities diligently and ensure that the risks inherent in the business are identified and then either avoided or mitigated, as reasonably practicable.

APHC Management strives to identify and manage the risks inherent in the business and will continuously seek to improve its risk management performance so that it can protect its stakeholders, the environment, its assets and reputation.

***Policy Strategies***

To ensure the implementation of this Policy, APHC does, and will continue to:

- Comply with all prevailing laws, regulations and standards while aspiring to consistently improve overall performance.
- Ensure that adequate risk management is undertaken for all business activities.
- Delay or stop activities where risk identification has not been undertaken.
- Ensure that all activities are conducted in a safe and efficient manner and risks are avoided or are kept as low as reasonably practicable.

- Apply best industry standards where laws and regulations do not exist.
- Ensure that all employees and contractors are trained and suitably supervised so that they can perform their jobs efficiently.
- Ensure that procedures are in place to identify, assess and control workplace hazards.
- Promote this Policy in non-operated ventures.
- Promote APHC's values and culture so that all its employees act in accordance with this Policy.

### ***Application***

APHC Management is accountable to the Board of Directors for ensuring that this Policy is implemented. This Policy will be reviewed on a yearly basis.

This Policy applies to all employees, contractors and joint venturers engaged in activities under APHC's operational control.

### ***Credit Risk Policy***

Credit risk is the risk of financial loss to APHC if a counterparty to a financial instrument fails to meet its contractual obligations. With respect to the financial assets of APHC, which comprise of cash in banks, cash equivalents, receivables, and other financial assets, credit risk could arise from the default of the counterparty.

To mitigate such risk, APHC transacts only with recognised and creditworthy counterparties, including top banks in the Philippines, and maintains good relationships with related parties and debtors who are reputable and with good credit standing.

### ***Liquidity Risk Policy***

Liquidity risk is the risk that APHC will not be able to meet its financial obligations as they fall due. To manage liquidity risk, APHC's objective is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, by maintaining a balance between continuity of funding and flexibility in operations.

Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors APHC's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The Group's financial assets used for liquidity management are its cash and cash equivalents, financial assets at FVPL, receivables and AFS investments.

### ***Market Risk Policy***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market variables, could adversely affect APHC's total comprehensive income or value of its financial instruments. The exposures to specific market risks are as follows:

#### ***Foreign Exchange Risk***

APHC uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in US dollar currency. To manage and control foreign exchange risk, APHC closely monitors relevant international, regional and national economic indicators which impact foreign currency exchange rates, including exposures in non-peso currencies. APHC monitors its cash flow position in relation to daily operational and working capital requirements, as well as trends and indices in the foreign currency exchange market.

#### ***Equity Price Risk***

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from APHC's investment in financial assets at FVPL and quoted AFS investments. APHC's objective is to manage and control market risk exposures by closely monitoring relevant economic indicators and trends and indices in the equities market.