

	RISK MANAGEMENT PROCEDURE شركة الإنشاءات البحرية العالمية ش.م.ك.م. INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K	Doc No.	IMSP/21
		Rev	01
		Date	01-06-2021
	Integrated Management System		Pages

1. SUMMARY

1.1. Throughout the INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K., the company has established, implemented, and maintained this procedure for risk and opportunity management.

1.2. This procedure's responsibility and authority are delegated to various functions and stated inside it.

1.3. Note: This procedure include definitions for important words created particularly for INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K. and judged to be appropriate for use within the company's management system's unique requirements. It is not based on current ISO definitions, which INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K. has judged are insufficient for its intended application.

1.4. Note that the QMS documentation occasionally refers to "opportunity for improvement" when describing internal audit findings or management review actions; this word does not refer to the same thing as the term "opportunity" used here.

2. APPROVAL AND REVISION

Date of Rev. Nature of Changes Approved By

[Revision Date]

[Date of Publication]

Original publication.

[Procedure\sApprover\sName]

3. DEFINITIONS

3.1. Uncertainty has a negative effect on risk.

3.2. Possibility: A beneficial consequence of uncertainty.

3.3. Uncertainty: A lack of information about an occurrence, its consequences, or likelihood. (Not to be confused with ambiguity in measuring.)

3.4. Risk Assessment: the systematic examination and analysis of prospective hazards, as well as the assigning of severity levels to possibilities, probabilities, and outcomes. These are used to categorise risks in order to prioritise their mitigation.

3.5. Risk Mitigation: a strategy for addressing all known or potential risks and preventing their occurrence.

3.6. FMEA (Failure Mode Effects Analysis): a strategy for categorising hazards according to their probability and impact.

4. GENERAL PROCEDURES

4.1. INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K. takes a unique approach to risk and opportunity assessment and management.

4.2. Risks are handled with the objective of reducing their probability and mitigating their impact if they do occur.

	RISK MANAGEMENT PROCEDURE شركة الإنشاءات البحرية العالمية ش.م.ك.م. INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K	Doc No.	IMSP/21
		Rev	01
Integrated Management System		Date	01-06-2021
		Pages	2 of 4

4.3. Opportunities are managed to optimise their likelihood and benefit if they materialise.

4.4. Where risks and opportunities intersect, the most appropriate technique for managing them must be determined in light of the circumstances. Certain aspects of such "blended" uncertainty may need the use of approaches that handle both negative risk and positive opportunity.

5. PROCEDURES: RISK MANAGEMENT

5.1. Risks are identified as part of the IMS Manual's "Context of the Organization Exercise."

5.2. Any employee may identify additional risks at any time.

5.3. IMS/04 defines each process in full. This document contains plans for identifying and mitigating critical risks associated with the stated process. The management of INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K. evaluates these risks and takes appropriate measures to mitigate them.

5.4. Risks identified as part of the Context of the Organization (COTO) exercise as outlined in IMS/04 and IMS/05 and recorded in the COTO Log. This suggests a rough priority, as well as a preferred way of risk management.

5.5. Risk assessment methods vary, but they should always contain a mechanism for identifying the risk under study and a statement of the risk assessment's outcome.

5.6. Detailed approaches may include FMEA (failure mode and effect analysis), SWOT analysis (strength, weakness, opportunity, and threat analysis), or other tools. No one method should be utilised for all risk assessments; the instrument chosen should be the most appropriate for the risk analysis at hand.

5.7. ISO 31010 gives guidelines on risk tool selection.

5.8. Where FMEA-style risk management is assessed to be optimal, an entry shall be recorded in the COTO Log's Risk Register tab. The following actions must be taken while utilising the Risk Register:

5.8.1. Recognize the risk.

5.8.2. Determining the process in which the risk is most likely to prevail.

5.8.3. Assigning a probability rating to the identified risk; this probability is composed of two components: probability and prior occurrences. Each factor is assigned a risk score ranging from 1 (lowest risk) to 5 (worst danger) (highest risk). The ultimate probability rating is the sum of the elements' probabilities.

5.8.4 Assigning a consequence rating if the risk occurs; this consequence is composed of five components: eventual contract termination; negative impact on existing customers; inability to meet contract terms; any violation of statutory regulations or law; impact on INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K.'s reputation; and estimated cost of correction. Again, each factor is assigned a risk score ranging from 1 (lowest risk) to 5 (worst danger) (highest risk). The ultimate consequence rating is calculated as the sum of the individual factors.

5.8.5. Using the calculation, calculate a final Risk Factor:

	RISK MANAGEMENT PROCEDURE شركة الإنشاءات البحرية العالمية ش.م.ك.م. INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K	Doc No.	IMSP/21
		Rev	01
		Date	01-06-2021
	Integrated Management System	Pages	3 of 4

RISK FACTOR = PROBABILITY RATING x CONSEQUENCE RATING

5.8.6. For risks with a final Risk Factor rating equal to or more than the Risk Register's threshold, management will determine whether to reject the topic due to the risk or to accept it after developing a risk mitigation plan. The mitigation strategy must be recorded, either in the Risk Register or in an additional document that is referenced on the form.

5.8.7. Unless otherwise ordered by management, risks with a factor less than the risk threshold may be accepted without a mitigation plan.

5.8.8. Additionally, the Risk Register enables the establishment of a "warning" threshold range, above which risks with a Risk Factor falling inside that range are reported as indicating the need for a mitigation plan, but such a plan is not required.

5.8.9 The final column allows for the inclusion of an estimated risk factor following mitigation, which is an estimate of the level of risk that should be decreased if risk treatment is successful.

5.9 If a risk has a potential good side, management may chose to perform an opportunity pursuit evaluation, as defined below, on the positive aspect.

6. PROCEDURES: OPPORTUNITIES MANAGEMENT

6.1. INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K. is constantly on the lookout for new chances to improve its financial viability and market position. For instance:

- contract renewals
- expanding into new markets
- Identification of new industries that SOLAFCO may serve
- Creation of new products and services that fall within the competence of INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K.
- simplifying current procedures in order to increase efficiency and lower costs

6.2. Opportunities are identified as part of the IMS-M-01 "Context of the Organization Exercise" and as part of the corrective and preventive action programme defined in the IMSP/08 Corrective and Preventive Action Proc.

6.3. Top management must be responsible for discussing and analysing opportunities. If these actions are included in the management review process, they shall be documented in the management review records.

6.4. To assist in determining which possibilities should be pursued, a "opportunity pursuit assessment" may be conducted using the Opportunity Register within the COTO Log. Similar to the Risk Register, this register assesses good prospects according to their likelihood of success and possible reward.

6.5. The opportunity pursuit assessment is carried out by the following:

	RISK MANAGEMENT PROCEDURE شركة الإنشاءات البحرية العالمية ش.م.ك.م. INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K	Doc No.	IMSP/21
		Rev	01
		Date	01-06-2021
	Integrated Management System	Pages	4 of 4

6.5.1. Recognizing an opportunity.

6.5.2. Determining the process under which the opportunity is most likely to fall.

6.5.3. Assigning a probability rating to the discovered opportunity; this value indicates the likelihood that the company will succeed in pursuing the opportunity. It is composed of two components: probability and prior occurrences. Each element is assigned a probability value ranging from 1 (lowest probability) to 5. (highest probability). The ultimate probability rating is the sum of the elements' probabilities.

6.5.4. Assigning a benefit rating in order to evaluate the prospective benefits of securing the opportunity. This is composed of six components: potential for new business; potential for expansion of existing business; potential improvements in the organization's ability to comply with regulatory or statutory requirements; potential improvements to the quality management system; potential enhancements to the reputation of INTERNATIONAL MARINE CONSTRUCTION CO. S.A.K. ; and estimated cost of implementation. Again, each aspect is assigned a score ranging from 1 (least benefit) to 5 (most benefit) (highest benefit). The ultimate benefit rating is calculated as the sum of the individual factors.

6.5.5. Using the equation, calculate a final Opportunity Factor:

OPPORTUNITY FACTOR = PROBABILITY RATING x BENEFIT RATING

6.5.6. For opportunities with a final Opportunity Factor rating equal to or greater than the threshold established in the Opportunity Register, management will determine whether to pursue the opportunity via a "opportunity pursuit plan" or to relinquish it entirely. The strategy for pursuing opportunities must be documented, either in writing or verbally.

the Opportunity Register or another document to which the form must refer.

6.5.7. Unless otherwise ordered by management, opportunities with a factor less than the opportunity goal rating may be abandoned entirely.

6.5.8. Once the opportunity has been closed, the final column provides for the recording of a success result; this contains entries for leaving the opportunity, failing to win the chance, and three degrees of success.

6.6. Generally, an analysis of each opportunity will result in one of the following conclusions:

- Take use of the chance
- Before proceeding, conduct a more thorough examination of the opportunity.
- Accept the opportunity, but only under strictly regulated and limited circumstances
- Reject the chance, generally due to a projected high cost or low reward. If an opportunity has a negative component, management may choose to undertake a risk assessment.

evaluation of the negative feature, as mentioned above.