

## APPENDIX: SEMI-STRUCTURED INTERVIEW PROCESS

1. Does the company follow the U.S. ERM Framework? Yes ; No
2. If 'No' for the above, which Risk Framework Method, is currently being followed? Would you please describe below the following?

Description of the existing Risk Management System (Example: Canadian Standard, Turnbull, Casualty Actuarial Society framework, RIMS Risk Maturity Model, other entity specific risk models)

Limitations in the existing Risk Management System utilized:

3. Is there an ERM Process in place? Yes ; No
4. Is there an ERM Function in place? Yes ; No
5. Is there both an ERM Process and Function in place? Yes ; No
6. When was an ERM system implemented (In which year)?
7. Are you considering introducing or modifying ERM? Yes ; No
8. If 'Yes' for the above, Is it a short term (3 years) or long term (beyond 3 years) priority?  
Short term ; Long Term
9. If 'No' for the above, Is the entity not even considering ERM adoption? Yes ; No
9. Does the Company's Mission/Vision Statement endorse ERM? Yes ; No
10. Is there a ERM Policy and Procedure in place? Yes ; No
11. Is there a Risk Management Committee in place? Yes ; No
12. What is the staff perception of ERM? (Please see elucidation in Box below.)
  - (A) Business Tool that is focused on Standardization.
  - (B) Business Tool that is focused on Integration.
  - (C) Business Tool that is focused on Centralization.

**STANDARDIZATION:** As a technique for documenting, reviewing and approving unique definitions, characteristics, and representations of data in accordance to some established procedures, and conventions under a framework.

**INTEGRATION:** A technique for aggregation of different parts to a holistic framework across a layer of organization and between layers of organization.

**CENTRALIZATION:** A technique that accumulates different data as an act of consolidating decision-making power under a central control within a framework.

13. Is there an Audit Committee in place in the Company? Yes ; No
14. Does the Internal Audit function participate in the ERM implementation? Yes ; No
15. Is there a Corporate Risk Register? Yes ; No

16. What are the top 5 corporate risks in the company? Would you please rank them?
17. Does the Internal Audit Plan utilize the Risk Register for setting out its Audit Plan? Yes ; No
18. What are the Company's key driving forces for implementing ERM? Would you please rank them?
19. What are the **Structural challenges** in implementing ERM? Could you please rank them?
20. What are the **Operational challenges** in implementing ERM? Could you please rank them?
21. What are the **Technical challenges** in implementing ERM? Could you please rank them?
22. What are the top five major Value Drivers in the Business construed as?
23. What are the KRIs (Key Risk Indicators)? (Note: These are not necessarily Risk Metrics as mentioned in Question 27)
24. Does the KRIs add value to the Value Drivers of the Business? Yes ; No
25. Does the ERM strategy reflect the National Energy Policy? Yes ; No
26. Does the Company's ERM drive the National Energy Policy? Yes ; No
27. What are the types of Metrics in place? Please highlight all
  - a) Value at Risk (VAR)
  - b) Cost of Risk (COR)
  - c) Return on Capital Employed (ROCE)
  - d) Economic Value Added (EVA)
  - e) Economic Capital (EC)
  - f) Probability of ruin
  - g) Others - Please Specify:
28. How would you perceive the effectiveness of the ERM Components between previous year vs. current year? You may please rate them in a scale of 1 to 10.

COSO ERM Components	Previous Year	Current Year
Internal Environment		
Objective Setting		
Event Identification		
Risk Assessment		
Risk Response		
Control Activities		
Information and Communication		
Monitoring		

29. Does the Annual Report communicate about ERM initiative? Yes ; No
30. Does Internal Audit review the effectiveness of the ERM system? Yes ; No
31. Does External Audit review the effectiveness of the ERM system? Yes ; No
32. How would you describe the current state of ERM?
  - a) Complete ERM framework
  - b) Partial ERM framework
  - c) Planning to implement framework
  - d) Investigating concept
  - e) No framework and no plans
33. Does the Company have a Chief Risk Officer (CRO)? Yes ; No

34. Who does the CRO report to?
35. Length of time CRO position has been in place?
36. Source of CRO position - what discipline does the CRO belong to?
- Finance
  - Internal Audit
  - Upstream Field, Production Operations
  - Downstream Refining, Marketing, Operations
  - Projects Engineering & Construction
  - Contracts & Procurement
  - Maintenance
  - Support Services
  - External source
37. How would you rate the 'materiality of individual risks' presented by the CRO?
- Very significant
  - Somewhat significant
  - Neutral
  - Not significant
38. Are findings from traditional risk management systems like Reliability, HAZOP, HAZID, EHS, and QMS taken into account in the ERM system? Yes ; No
39. What are the types of tools used to implement ERM? (You can choose more than one)
- Risk Mapping using frequency and severity maps
  - Risk Assessment Workshops across the Company
  - Financial Modeling
  - Scenario Planning
  - Management Dashboards
  - Weighted Average Score
  - Monte Carlo Simulations
  - Others - Please Specify:
40. Has the ERM framework been presented to the Board of Directors? Yes ; No
41. Does the ERM system have acceptance at Board level and above for effective Corporate Governance?
- Fully accepted
  - Somewhat accepted
  - Under consideration
  - Not considered seriously
42. What is the significance of Corporate Culture in the implementation of ERM?
- Very significant
  - Somewhat significant
  - Neutral
  - Not significant

43. How many independent Directors (outside Non Executive Directors) are in the Board?
44. How many Executive Directors are in the Board?
45. Is the Corporate Board evaluated to improve Corporate Governance? Yes ; No
46. Is Internal Audit determining the effectiveness of the ERM?
47. How does the ERM system further integrate with the changing business environment?
- Utilize in Corporate Strategic Planning
  - Utilize in Balanced Scorecard management system
  - Utilize in Budgeting/ Budget Reviews
  - Application in larger context of implementing better TQM
  - Application in larger context of implementing Six Sigma
48. Would an appraisal from External Consultant facilitate Middle East Oil and gas companies in an effective ERM implementation? Yes ; No
49. As most Management Consultants hired for ERM advice are not necessarily technical or astute with energy industry knowledge, would Middle East Oil and gas Companies not benefit from Specialty Risk Consultants who are active elsewhere? Yes ; No
50. Would a 'systems certification - like' approach (ISO, BS) facilitate Middle East Oil and gas companies in effective ERM implementation? Yes ; No