

To: Non-Financial Issuers Rated subject to Enterprise Risk Management Reviews

RE: Discussion Questions for Management Meetings

S&P's ERM review for nonfinancial companies will be based primarily on information provided by issuers in public disclosures and through discussions with S&P analysts. This document provides sample discussion topics and questions about which our analysts will inquire. We do not require written responses to these questions, but will certainly consider them if provided to supplement or make more efficient our in-person discussions.

If you have questions or concerns about the ERM review process, please contact your primary credit analyst, or Steve Dreyer, Managing Director, at (212) 438-7187 or steven_dreyer@standardandpoors.com.

- a. What are the company's top 5 risks, how big are they, and how often are they likely to occur? How often is the list of top risks updated?
- b. What size quarterly operating or cash loss has management and the board agreed is tolerable?
- c. What is management doing about top risks?
- d. Describe the staff responsible for risk management programs and their place in the organization chart. How do you measure success of risk management activities?
- e. How would a loss from a key risk impact incentive compensation of top management and on planning/budgeting?
- f. Tell us about discussions about risk management that have taken place at the board level or among top management when making strategic decisions.