ENTERPRISE RISK MANAGEMENT

Risk Management is an imperative part of the overall business strategy and corporate governance of ALLDAY MARTS, INC. (the "Company"). The Company adopts a risk philosophy intended at making the most of the business opportunities and reducing adverse results thus enhancing shareholders value by effectively and efficiently balancing risks and rewards.

This Enterprise Risk Management Policy will serve as the core document providing a standard framework for a disciplined approach to risk according to the Company's business objectives. This codifies the various policies established to identify, assess, monitor and manage the risks associated with the Company's business. This will likewise help the Board of Directors (BOD) to discuss and collaborate on needed adjustments or expansion of policies in order to consider best practices in the industry or among the retail companies.

Risk Exposure	Risk Management Policy	Objective
Market Risk	The Management monitors market price risk arising from all financial instruments and regularly report financial management activities and the results of these activities to the BOD. To the extent possible, the Company shall adopt a portfolio approach to ensuring that volatility in earnings resulting from market risk taking activities are kept within an acceptable range as determined by the Board. Finance managers of the Company shall ensure that the Company's market risk position in its books are constantly monitored and adequately protected against constantly changing, or adverse market conditions.	To mitigate or eliminate the risk
Interest rate risk	The Company's policy is to manage its interest cost by entering into longer-term borrowings at fixed rates.	To minimize interest rate cash flow risk exposures on long-term financing
Credit risk	The Company transacts only with recognized and creditworthy third parties. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. None of the financial assets are secured by collateral or other credit enhancements except for cash and cash equivalents and certain trade receivables with entrusted and on hand post- dated checks issued by customers.	To ensure that the Company deal only with creditworthy counterparties

	Bank deposits are only maintained with reputable financial institutions.	
Liquidity Risk	The Company monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance its cash requirements. Operating expenses and working capital requirements are sufficiently funded through cash collections. The Company's loan maturity profile is regularly reviewed to ensure availability of funding through adequate credit facilities with banks and other financial institutions.	To maintain cash to meet the Company's liquidity requirements for up to 60-day period.
Foreign exchange risk	The Company monitors non-Philippine peso cash flows. The Company performs analyses on the Company's sensitivity to a reasonably possible change in the foreign exchange rate until its next annual reporting date, with all other variables held constant.	To mitigate or eliminate the risk
Risks relating to competition	To mitigate this risk, the Company conducts regular market study and business intelligence updates in order to understand industry and market dynamics.	To mitigate or eliminate the risk
Risks relating to specific target markets	The Company diversifies its product offerings to serve wide market as possible. The Company also closely monitors the factors that may affect target markets so that it can take the necessary corrective measures.	To mitigate or eliminate the risk
Operational risk	Compliance self-tests and internal audits are means to mitigate operational risks. The Company transfers the risk by using other options to compensate for the loss, such as purchasing insurance. The Company also conducts risk-focused educational seminars for familiarizing branch personnel at all levels.	To mitigate or eliminate the risk
Risks relating to natural catastrophes	To mitigate the risk, the Company transfers the risk by using other options to compensate for the loss, such as purchasing insurance.	To mitigate the risk
Risks relating to the Company's reputation	The Company, through its corporate communications team maintains a clear, accurate brand and company image and perception in the market to mitigate this risk. The legal team also monitors all intellectual ownership issues of the Company.	To mitigate or eliminate the risk