

# Credit Risk Policy

GCCH Management FZE

## 1. Introduction

This Credit Risk Policy ("Policy") outlines the framework and guidelines for managing credit risk within GCCH Management FZE ("GCCH" or "Company"). This policy is designed to ensure that credit risks are assessed, monitored, and mitigated effectively, thereby safeguarding the Company's financial stability and reputation.

## 2. Purpose

The purpose of this policy is to establish clear guidelines and procedures for evaluating, managing, and mitigating credit risk associated with the Company's clients, customers, and counterparties

## 3. Scope

This policy applies to all credit-related activities within GCCH, including but not limited to:

- Onboarding of new clients and customers.
- Determining credit limits and terms.
- Monitoring credit exposures.
- Collection and recovery of outstanding amounts.
- Periodic review and assessment of credit risk.

## Key Principles

### 4.1. Risk Identification and Assessment

GCCH shall identify and assess credit risks associated with each client, customer, and counterparty. A thorough analysis of financial position, credit history, and industry outlook shall be conducted to determine the creditworthiness of each entity.

### 4.2. Credit Limit Determination

Credit limits for clients and customers shall be established based on their creditworthiness, business size, industry, and historical payment behavior. The credit limits will be periodically reviewed and adjusted as necessary.

### **4.3. Credit Terms and Conditions**

Clear credit terms and conditions shall be communicated to clients and customers upon engagement. These terms will include repayment schedules, interest rates, late payment penalties, and any other relevant terms.

### **4.4. Credit Monitoring**

GCCH shall implement a continuous credit monitoring process to track changes in clients' financial conditions, payment behaviors, and overall creditworthiness. This involves regular review of financial statements, payment histories, and industry trends.

### **4.5. Early Warning Systems**

The Company will establish early warning systems to identify deteriorating credit quality promptly. When predetermined triggers are met, appropriate actions will be taken to mitigate potential losses.

### **4.6. Collection and Recovery**

Efficient procedures will be in place to manage delinquent accounts and recover outstanding amounts. GCCH shall follow ethical and legal practices while engaging in debt recovery activities.

### **4.7. Reporting and Accountability**

Regular reports on credit risk exposure, delinquencies, and recoveries will be prepared and communicated to relevant stakeholders. Senior management will be held accountable for the overall credit risk management process.

## **5. Credit Committee**

GCCH will establish a Credit Committee responsible for overseeing the implementation of this policy. The committee will comprise senior management representatives from finance, risk, and operations departments, among others.

## **6. Training and Awareness**

All employees involved in credit-related activities will receive appropriate training to ensure they understand the Company's credit risk policy and procedures.

## **7. Review and Update**

This policy will be subject to periodic reviews to ensure its relevance and effectiveness. Any necessary updates will be made in response to changing market conditions, regulations, or internal business needs.

## **8. Conclusion**

By adhering to this Credit Risk Policy, GCCH Management FZE aims to achieve prudent credit risk management, safeguard its financial health, and uphold its commitment to ethical business practices. Effective credit risk management will enable the Company to make informed decisions while maintaining healthy client relationships and financial stability.