

Risk Management Policy



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RISK TECHNOLOGIES

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Table of Contents

1.	ISSUE	3
2.	DEFINITIONS	3
3.	POLICY STATEMENT	3
3.1	OBJECTIVES	4
3.2	RISK MANAGEMENT FRAMEWORK	4

1. Issue

Razor Risk Technologies is committed to the consistent management of risk as an integral part of its operations, focusing on strategies to minimise risks to achieving strategic goals and objectives. Risks occur across the scope of Razor Risk Technologies' operations and, for example, include business, reputation, financial and health and safety risks.

The consistent management of risk supports the effective functioning of an organisation. Razor Risk Technologies identifies, evaluates, manages and reports significant risks to the Board in a timely manner to provide:

- More effective management decisions
- Better cost control
- Justifiable and transparent decision making
- More effective strategic planning, and
- The realisation of opportunities.

2. Definitions

Refer to the Australian / New Zealand Joint Standard on Risk Management AS/NZS 4360:2004 (the Standard)

Risk	The chance of something happening that will have an impact on objectives
Risk management	The culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects.
Risk management framework	Set of elements of an organisations' management system concerned with managing risk
Risk management process	The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risks.

3. Policy Statement

Razor Risk Technologies is committed to implementing risk management standards and practices that reflect the risk management process outlined in the Standard to benefit shareholders and manage risks to Razor Risk Technologies.

To meet this commitment, risk management is to be every employee's business. All employees are responsible and accountable for managing risk within their area of responsibility.

The management of risk is to be integrated into Razor Risk Technologies' existing planning and operational process and is to be fully recognised in funding and reporting processes on the basis of the evaluation of the level of risk and Razor Risk Technologies' exposure.

Sound risk management principles and practices will be integrated into the business of all branches within Razor Risk Technologies.

Risk management is a priority and will be implemented through consultation with the Board, Managing Director, Executives and all employees.

3.1 Objectives

The objectives of Razor Risk Technologies' Risk Management Policy are to:

- Establish a culture of risk management practice within all areas of the organisation to underpin the effective functioning of Razor Risk Technologies and support the delivery of Razor Risk Technologies' strategic objectives;
- Provide assurance regarding the achievement of strategic objectives by reducing exposure to significant / material risks and maximising positive outcomes from potential opportunities.

This will be achieved within Razor Risk Technologies' Risk Management Framework.

3.2 Risk Management Framework

Razor Risk Technologies' Risk Management Framework is made up of two components – organisational management structure (responsibilities, reporting and review), and the risk management process itself. These components are outlined below.

3.2.1 Organisational management structure

Responsibilities

The Board is responsible for oversight of the Razor Risk Technologies Risk Management Policy and review of the Razor Risk Technologies Executive risk report.

The Chief Executive is responsible for ensuring risk is managed across all activities and for establishing the process for the management of risk throughout the organisation.

Managers, at all levels, are required to create an environment where the management of risk is accepted as the personal responsibility of all employees and contractors. The managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in accordance with this risk management policy.

All employees are to be actively involved in the management of risk.

Reporting

In order for the Board and Executives to be properly informed of the status of risks facing Razor Risk Technologies, all business units are required to report regularly on risks assessed and progress with respect to their management. Reporting on risk management will, wherever possible, be integrated into existing Razor Risk Technologies reporting structures.

As part of risk management, Razor Risk Technologies will also maintain a risk register that provides details of all identified significant risks together with their assessment of likelihood and consequence.

Implementation and Review

Annual review of the risk management policy and risk management system implementation will be undertaken for consideration and approval by the Board.

Consideration of appropriate risk management audit arrangements will occur following implementation and review of this policy.

3.2.2 Risk management process

The process below is outlined in the Standard and provides the structure for a consistent approach to risk management in Razor Risk Technologies.

- (a) Communicate and consult – Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.
- (b) Establish the context – Establish the external, internal and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.
- (c) Identify risks – Identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of the objectives.
- (d) Analyse risks – Identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur.
- (e) Evaluate risks – Compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.
- (f) Treat risks – Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.
- (g) Monitor and review – It is necessary to monitor the effectiveness of all steps of the risk management process. This is important for continuous improvement. Risks and the effectiveness of treatment measures need to be monitored to ensure changing circumstances do not alter priorities.