



## QUICKSTEP HOLDINGS LIMITED

# RISK MANAGEMENT POLICY

### 1. INTRODUCTION

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- 1.1. Quickstep Holdings Limited and its subsidiaries (Quickstep) view effective risk management as key to achieving and maintaining its operational and strategic objectives.
- 1.2. Quickstep considers risk to be any threat, event or action that will adversely affect the organisations ability to achieve its objectives.
- 1.3. Quickstep accepts that risk is an inherent part of the normal operating environment and recognises that risk can be managed by an effective risk management system.

### 2. OBJECTIVES

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- 2.1. The objective of this policy is to ensure that Quickstep has in place a formal Risk Management Framework which is both comprehensive and systematic in approach.
- 2.2. The Risk Management Framework should enable the organisation to pursue its strategic goals by:
  - a. Confidently taking advantage of acceptable risk within normal business activities;
  - b. Avoiding adverse risk or reducing that adverse risk to an acceptable level;
  - c. Making risk management an integral part of normal business practices;
  - d. Reducing the level of uncertainty over future operations and performance; and

- e. Providing an organisational framework for the effective management of risk.

### **3. DEFINITIONS**

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- 3.1. Risk is considered to be any threat, event or action that will adversely affect the organisations ability to achieve its objectives
- 3.2. Inherent Risk is the risk that is resident in any business process prior to the application of any internal controls.
- 3.3. Residual Risk is the risk that remains after the application of control.
- 3.4. Risk Appetite is the organisation's tolerance to Risk which guides the approach to assess and eventually pursue, retain, accept or turn away from Risk.

### **4. RISK MANAGEMENT FRAMEWORK**

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- 4.1. Quickstep's Risk Management Framework is based on the requirements of the AS9100 Quality Management System – Requirements for Aviation, Space and Defence Organisations and ISO 3100 Risk Management – Principles and Guidelines.
- 4.2. The Framework requires that Quickstep shall establish, implement and maintain a process for managing risk that includes as appropriate to the organization :
  - a. Assignment of responsibilities for risk management,
  - b. Definition of risk criteria (e.g., likelihood, consequences, risk acceptance),
  - c. Identification, assessment and communication of risks
  - d. Identification, implementation and management of actions to mitigate risks that exceed the defined risk acceptance criteria, and
  - e. Acceptance and monitoring of risks remaining after implementation of mitigating actions.
- 4.3. Quickstep's Risk Appetite will be documented in the Risk Appetite Statement (RAS) which will be reviewed at least on an annual basis by Management and the Board.

The RAS may also be reviewed outside of the annual cycle to take account of significant changes to Quickstep's business.

- 4.4. All identified key Corporate risks will be documented in the Corporate Risk Register. The Corporate Risk Register will be reviewed by Management on a regular basis and by the Board on an annual basis.
- 4.5. The Chief Executive Officer (CEO) will ensure that a Risk Management Framework is in place that meets the objectives of this policy. Specifically the Risk Management Framework should enable the Company to:
  - a. Identify the risks to which Quickstep is exposed (including strategic, operational, financial, legislative, compliance, project and other risk classes deemed appropriate);
  - b. Analyse those risks so that they can be assessed in such a way that they can be compared with other risks;
  - c. Assess the risks to decide if they are acceptable with existing controls or need additional treatment;
  - d. Identify treatment options for unacceptable risks and develop a risk treatment plan for unacceptable risks;
  - e. Implement risk controls that are assessed as necessary and monitor the controls to ensure they are implemented as intended;
  - f. Regularly review the effectiveness of the implementation of treatment controls;
  - g. Periodically review the context of the Group and the risks to which it is exposed to ensure that all risks (including new risks) have been identified; and,
  - h. Report to Management, the Audit, Risk & Compliance Committee, the Board, other stakeholders and (as appropriate) relevant regulatory authorities on risk management.

## 5. METHODOLOGY

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- 5.1. Risks will be assessed as to their likelihood and consequence to determine the Inherent Risk. The controls in place to mitigate Inherent Risks are then assessed to determine the Residual Risk.
- 5.2. Within the Risk Management Framework each functional leader, business unit and major program is required to formally profile its risk environment on an ongoing basis, including identification of key risks, assessment of control design and operation, and evaluation of key risk indicators.
- 5.3. Risks are to be managed at the level at which they can be resolved, or elevated to a higher level of management for resolution

## 6. RESPONSIBILITIES

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- 6.1. The Board through the Audit, Risk & Compliance Committee is responsible for :
  - a. Setting the Risk Appetite of the Company
  - b. Approving the Risk Management Policy
  - c. Ensuring regular review of the Risk Management System
  - d. Ensuring management are identifying and managing the high level Corporate Risks
  - e. Considering Management's reports regarding the effectiveness of Quickstep's Risk Management Framework and Process, including whether the Company is operating within the risk appetite set by the Board
- 6.2. The CEO is responsible for:
  - a. Ensuring that an appropriate Risk Management Framework and Risk Management Process are in place and are operating efficiently and effectively and
  - b. Reporting key risks to the Board and the Audit, Risk & Compliance Committee on a regular basis.

- 6.3. The CFO will co-ordinate the development and maintenance of the risk assessment procedures and guidelines that will be deployed throughout Quickstep.
- 6.4. All Quickstep managers are responsible for identifying, implementing mitigation measures and reporting the risks associated with their function, business unit or programs.

## **7. REPORTING**

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- 7.1. The CEO will report at least annually to the Board through the Board Audit, Risk & Compliance Committee on the efficiency and effectiveness of the Risk Management Framework.
- 7.2. The CEO will report to the Board on the key risks on a regular basis.