

# Risk Management

## 1. Objectives

Osmoflo is committed to integrating risk assessment and management practices into all business processes and operations to identify and successfully manage risks to the business. This policy seeks to:

- Provide an explanation of the nature of risk; and
- Provide a framework for the effective assessment and management of risk in realising corporate goals.

Osmoflo's fundamental, underlying risk principles will be consistent with the Australian Standard for Risk Management AS/NZ: 4360: 2004

## 2. Scope

This policy is applicable to all Osmoflo employees and contractors.

## 3. Definitions

**Risk** - Is identified as the potential outcome of a hazard and is measured in Consequence and Likelihood

**Strategic Risks** - Are recognised as risks that affect Osmoflo's business objectives.

**Operational Risks** - Relate to all other risks associated with the operation of the Osmoflo business.

**Risk Identification** - The process of determining what might happen, how, when and why.

**Risk Analysis** - Is the systematic process applied to understand the effect of the uncertainty of the risk on Osmoflo.

**Risk Evaluation** - Is the process of measuring the significance of risks to determine appropriate management strategies and to prioritise the order in which risks should be addressed.

## 4. Responsibility

The Risk Management Policy places responsibility upon employees at all levels within Osmoflo.

Senior management will oversee the risk management framework and management and implementation of risk management processes on behalf of Osmoflo.

Employees in supervisory and managerial positions are responsible for ensuring that risk management principles and practices are applied by those under their supervision

Employees and contractors are responsible for applying risk management principles and practices in their work areas.

## 5. Policy

Risk is inherent in our business - the identification and management of risk:

- is central to delivering on company objectives;
- represents good corporate governance and is a fundamental component of good management practice; and
- is a means for achieving and maintaining competitive advantage and is pivotal to enabling the ongoing growth and success of our business.

At Osmoflo we will:

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- ensure that risk assessment and Osmoflo's tolerance for risk are key considerations in our decision making;
- incorporate risk management into our critical business activities, linking our business processes and those personnel implementing them through the risk consultation process;
- use our risk management capabilities to maximise the value from our assets, projects and other business opportunities and to assist us in encouraging enterprise and innovation;
- strive for consistency in decision-making and performance by the adoption of common and transparent methodologies to identify, analyse, rank and manage risks referencing Australian Standard for Risk Management AS/NZ: 4360: 2004;
- ensure that current and future Osmoflo business activities are risk assessed prior to commencement and risk managed throughout the activity's duration; and
- promote continuous improvement and review of Osmoflo's risk policy and processes through regular training, monitoring, audit and reporting processes.

**Responsible Officer:**



Marc Fabig  
Managing Director

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