

1. Purpose

This policy defines risk management and, within the DMTC context, sets out the framework for its implementation including the relevant processes and responsibilities.

Risk management is an integral part of DMTC's strategic management. At its core, risk management is the process whereby DMTC methodically addresses its risks across all of its programs and activities with the objective of gaining continuous improvement in decision making, not only within each program or activity but across the portfolio of interests.

2. Policy Scope/Coverage

This policy applies to:

- DMTC directors
- DMTC employees and
- all other personnel

engaged in business and activities carried out under the auspices of the DMTC. The above parties are collectively defined as DMTC personnel for the purpose of this policy.

All DMTC personnel, whether a direct employee or an employee of a partner, are responsible for the effective management of risk, including identifying and communicating potential risks.

DMTC management is responsible, under the oversight of the DMTC Ltd Board of Directors (Board), for developing risk management plans and implementing risk strategies that are integrated with all the other planning and management activities that are conducted within the DMTC.

The DMTC Chief Executive Officer (CEO) is ultimately accountable to the Board for the implementation of these policies and procedures and hence ultimately accountable for managing risk overall in the DMTC.

The senior management of DMTC (CEO, senior managers, program leaders) are responsible for facilitating introduction of appropriately tailored risk management systems and processes into the key functions of the DMTC. This includes communicating these guidelines and maintaining a program for reassessment of key risks.

The DMTC Audit, Risk and Remuneration Committee (ARRC), acting under the delegated powers of the Board, is responsible for process oversight in risk management and assessment of the general risk spectrum. The ARRC will be responsible for reviewing the outcomes of the larger programs of risk assessments and advising the Board as appropriate.

3. Policy Statement

3.1. Policy Overview

Risk is the chance of something happening that will have an impact on objectives. It is usually measured in terms of the combination of the consequences of an event and the likelihood of it occurring. The impact can be positive or negative.

3.2. Strategy

Where appropriate, risk management will be consistent with AS/NZS ISO 31000:2009 'Risk Management and its associated guidelines.

A Risk Management Plan which sets out the risk profiles for all elements of the operation (programs, projects and administration) of DMTC for the (financial) year will be prepared annually and reviewed by the Board.

3.3. Risk Appetite

Risk source will be identified and profiled as:

- financial
- systems/operational
- strategy
- stakeholders
- business management
- commercial/legal
- people, and
- national security

The consequences of risks will be assessed under four categories: reputation, performance, cost and OH&S. DMTC has a low appetite for risks relating to reputation or OH&S and will treat these risks actively to minimise the company's exposure to these risks.

DMTC's appetite for cost and performance risk is moderate. DMTC recognises that achieving technical outcomes from research is inherently risky. Stakeholders engage in the DMTC to share this risk, yet still expect outcomes to be achieved. DMTC's internal processes will identify and communicate these project related risks and treat them accordingly to reduce and manage the risks.

3.4. Monitoring and Reporting

The Board will monitor and review the overall management of risk in the DMTC.

Risk management reports will be delivered by the CEO, through the ARRC to the Board.

The ARRC will receive regular reports from the CEO and/or senior DMTC management with respect to DMTC's risk management activities and outcomes. Updates are provided by the CEO at each ARRC meeting. The ARRC will make recommendations to the Board as appropriate.

3.5. Risk Register

A risk register will be maintained by management and reviewed by the ARRC members at each ARRC meeting.

4. Linked Policies, Procedures and Forms

- Policy – Approval
- Policy – Internal Controls

Policy – Risk Management



- Procedure – Risk Management
- Risk Management Plan