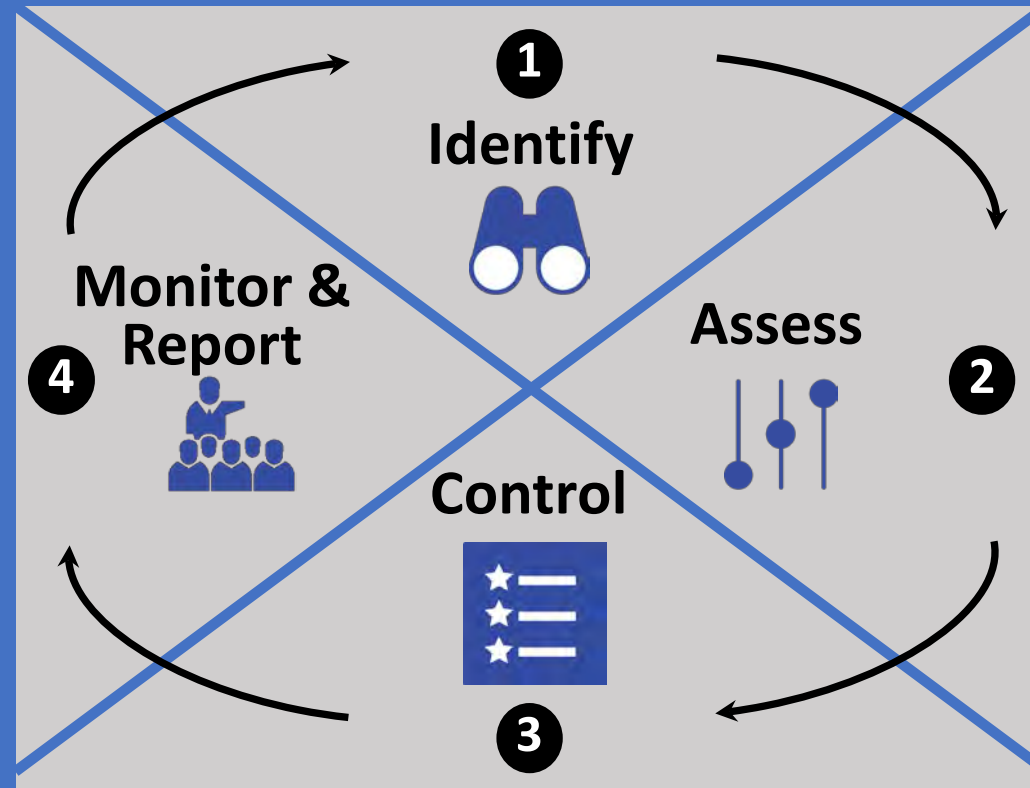


Legal Risk Management Framework

- Clearly define “legal risk” for the organization
- Understand relevant types of legal risks for the organization
- Set criteria and processes for identifying legal risks while appropriately establishing and protecting attorney-client privilege
- Identify the legal risks which could have a material impact on the organization’s business strategy or objectives
- Establish clear accountability for addressing legal risks within the appropriate functional areas of the organization



- Define prioritized categories of business impacts against which legal risks should be evaluated (e.g. regulatory, customer, financial, and reputational implications)
- Design a risk assessment process to determine levels of risk exposure against business impact categories
- Embed the risk assessment process into appropriate strategic and operational planning processes of the organization

- Design processes to assess the effectiveness of controls
- Report legal risk profiles to relevant governance forums including prioritized categories of business impact and effectiveness of controls

- Define risk levels for different categories of legal risk
- Embed a control framework to address identified and assessed legal risks within defined risk levels
- Determine level of resources to be committed to controls, considering a balance of proactive and reactive controls, and defined risk level
- Define accountability for maintaining and executing controls