

RISK MATRIX

To assess and prioritize risks, we use the risk exposure formula: Risk exposure = Probability x Impact.

Based on the matrix below, the resulting exposure of a risk will be greater or lesser depending on the levels of probability and impact:

Impact	Limited	Minor	Moderate	Significant	Critical
Probability					
Almost certain	Minor	Moderate	Significant	Critical	Critical
Likely	Limited	Minor	Moderate	Significant	Critical
Possible	Limited	Minor	Moderate	Significant	Significant
Unlikely	Limited	Minor	Minor	Moderate	Significant
Rare	Limited	Limited	Minor	Moderate	Moderate

Below is the matrix of risk exposure defined by Minor, with its corresponding color according to the level of probability and impact:

Risk Exposure	Management Action
Critical	Immediate action: Management must immediately escalate to the Management Committee and Board of Directors. Immediate remediation plans must be instituted.
Significant	Action: Immediate escalation to the Management Committee. Management must implement action to reduce the exposure further.
Moderate	Action: Management must implement action to reduce the exposure further.
Minor	Decision: Management must consider whether the benefit of further reduction outweighs the cost thereof.
Limited / Improvement opportunity	Tolerate - within acceptable limits. Management to monitor exposure level.