Legal Risk Framework Procedures

Legal Risk Procedures | Global

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Replace all references to “the Company” with your organisation’s name.

Document Control

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Contents

1. Purpose

These procedures give operational effect to the Legal Risk Framework. The Legal Risk Framework, approved by the Board Risk Committee, establishes the Company's definition of legal risk, its appetite for legal risk, the governance architecture and the accountabilities of the Board and senior management. This document does not restate those framework-level principles; it sets out the concrete workflows — with steps, owners and timeframes — through which legal risk is assessed, controlled and reported in day-to-day operations, consistent with the treatment of legal risk as a component of operational risk under the Basel Framework.

The procedures cover: legal risk assessment of new products, contracts and business change; contract review, execution and post-execution management; the selection, instruction and management of External Counsel; litigation and dispute handling; response to Regulatory Notices; the protection of Legal Privilege; and the recording and reporting of Legal Risk Events.

These procedures are owned by the General Counsel and approved by the Chief Executive Officer. Where these procedures conflict with the Legal Risk Framework, the Framework prevails and the General Counsel must correct the conflict at the next revision, or immediately where the conflict is material.

2. Scope

These procedures apply to the Company and all of its controlled entities, and to all directors, officers, employees, contractors and secondees when they negotiate, commit to, vary or terminate legal obligations on the Company's behalf, handle disputes or regulator interactions, or handle legally privileged material. They apply across all products, services, channels and jurisdictions in which the Company operates.

These procedures apply to all contract types, including customer terms, supplier and outsourcing agreements, employment-related agreements, financing and security documents, and settlement deeds. Workplace and industrial matters are managed jointly with the Human Resources function, but the engagement of External Counsel and the handling of any resulting dispute remain subject to these procedures.

Exclusions: routine customer complaints are handled under the Dispute Resolution Policy and any internal and external dispute resolution requirements of applicable local law unless and until they meet an escalation trigger in section 9; tax technical positions are managed under the Company's tax risk management arrangements, which are set out in a separate tax risk management policy that the Company must produce and maintain, with the Legal Function engaged where a dispute with a revenue authority arises; compliance obligation registers and breach reporting to regulators are administered by the Compliance Function under the Compliance Management Framework, with Legal Function input as described in section 10.

Jurisdictional application: this document states international best practice. The Company must map each requirement of these procedures to the law of every jurisdiction in which it operates — including execution formalities, limitation periods, privilege rules, pre-action dispute resolution requirements and regulator notification deadlines — and record that mapping in its obligations register. The General Counsel owns the mapping and must maintain it with the Compliance Function, which owns the obligations register; the General Counsel must review the mapping at least annually and update it within [20] business days of a material change in law in any operating jurisdiction. Where the law of an operating jurisdiction imposes a stricter or additional requirement, local law prevails.

3. Definitions

Term	Definition
Contract Register	The Company's central electronic repository recording every executed contract, including the counterparty, value, term, owner, key and renewal dates, risk rating, due diligence status, obligations calendar and the storage location of the signed instrument.
Delegations of Authority	The instrument approved by the Board that specifies the monetary and decision-making limits within which officers and staff may commit the Company.
Early Case Assessment	A structured evaluation, completed shortly after a dispute arises, of the merits of the Company's position, the realistic range of financial exposure, applicable limitation periods, insurance coverage and the available resolution strategies.
External Counsel	A law firm, advocate, individual practitioner or other qualified legal professional engaged by or on behalf of the Company to provide legal advice, services or representation in any jurisdiction, whether or not a member of the Legal Panel.
Legal Function	The General Counsel and the in-house lawyers reporting to the General Counsel, together with external counsel engaged to act for the Company on instructed matters.
Legal Hold	A written direction, ordinarily issued by the General Counsel, suspending the routine destruction, deletion, alteration or overwriting of specified records, communications and data that are, or may

	reasonably become, relevant to litigation, a dispute, an investigation, an audit or a regulatory or supervisory request.
Legal Matter Intake Form	The standard form (Appendix A) by which a business unit requests legal risk assessment, contract review or other legal support from the Legal Function.
Legal Panel	The set of External Counsel firms approved by the General Counsel as the Company's providers of external legal services, maintained in accordance with the Company's legal risk framework and its supporting procedures.
Legal Privilege	The protection from compelled disclosure that applicable local law confers on confidential lawyer-client communications and material prepared for the purpose of legal advice or litigation, however denominated in the relevant jurisdiction; the scope of that protection, and whether it extends to in-house counsel, varies by jurisdiction.
Legal Risk	The risk of loss, regulatory sanction, liability or reputational damage arising from failure to identify or comply with legal or regulatory obligations, defective or unenforceable contractual arrangements, litigation, disputes or enforcement action, failure to protect the Company's legal rights, or changes in law or its interpretation; a sub-category of operational risk under the Basel Framework.
Legal Risk Event	An incident, including a near miss, in which legal risk has crystallised or a control required by these procedures has failed, whether or not a financial loss resulted.
Matter	A discrete item of legal work recorded in the matter register with a unique matter number, an owner, a budget where External Counsel is engaged, and a status.
Material Third-Party Arrangement	A contract with a service provider on which the Company's critical operations depend, or which is otherwise material under the Company's Third-Party Risk Management Policy or applicable prudential requirements on outsourcing and third-party risk.
Regulatory Notice	Any notice, direction, request, summons

	or subpoena issued to the Company by a regulator, supervisory authority, government agency, court or tribunal in any jurisdiction that compels or requests information, documents, attendance or action, whether compulsory or voluntary.
Senior Manager	A person, other than a director, who holds senior executive responsibility for the Company or for a significant business unit or control function, including any person designated, registered or approved as such under the senior manager accountability regime applicable in the Company's operating jurisdiction(s) or, where no such regime applies, under the Company's own accountability arrangements.
Settlement Authority	The delegated monetary limit within which a named role may authorise the compromise or settlement of a claim by or against the Company.
Standard Form Contract	A contract template approved by the General Counsel for repeated use in defined circumstances without further legal review, provided it is used without amendment to its legal terms.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
Basel Framework — definition of operational risk (OPE)	Defines operational risk to include legal risk, requiring the Legal Risk Events identified under these procedures to be captured, measured and reported within the Company's operational risk framework.
BCBS Principles for the Sound Management of Operational Risk (revised 2021)	Drives the three-lines allocation of responsibilities, the incident identification and recording workflow, and the escalation and Board reporting cadence embedded in sections 5 and 12.
BCBS Principles for Operational Resilience (2021)	Requires resilience of critical operations delivered through third parties, reflected in the contract requirements and register controls applied to Material Third-Party Arrangements in section 7.

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.