

Model Risk Management Policy

1. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

1.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

1.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

1.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

2. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

2.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

2.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

2.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

3. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

3.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

3.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

3.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

4. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

4.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

4.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

4.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

5. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

5.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

5.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

6. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

6.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

6.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

6.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

7. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

7.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

7.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

7.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

8. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

8.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

8.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

8.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

9. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

9.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

9.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

9.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

10. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

10.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

10.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

10.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

11. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

11.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

11.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

11.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

12. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

12.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

12.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

12.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

13. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

13.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

13.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

13.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

14. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

14.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

14.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

14.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

15. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

15.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

15.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

15.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

16. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

16.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

16.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

16.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

17. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

17.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

17.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

17.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

18. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

18.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

18.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

18.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

19. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

19.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

19.2 Definition of a Model

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified,

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

19.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

Model Risk Management Policy

20. Purpose, Scope, and Regulatory Context

This document is a synthetic model risk policy created exclusively for testing, assurance, and demonstration purposes. It is not issued by, endorsed by, or affiliated with the UK Prudential Regulation Authority. The structure and tone are inspired by SS 1/23, but all content is fictional.

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.

20.1 Scope of Application

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite.

20.3 Roles and Responsibilities

Role	Key Responsibilities
Board of Directors	Approves appetite and oversight
Senior Management	Implements policy and controls
Model Owners	Accountable for model performance
Independent Validation	Objective challenge
Internal Audit	Independent assurance

This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation’s overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation’s risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate

assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite. This policy establishes comprehensive and proportionate standards for the management of model risk across the organisation. Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. Such risk may stem from limitations in data quality, inappropriate assumptions, conceptual soundness weaknesses, implementation errors, or inappropriate use. Effective management of model risk is therefore a critical component of the organisation's overall risk management framework, internal control environment, and governance arrangements. Senior management and the Board are expected to demonstrate clear ownership of model risk outcomes and ensure that model risk is identified, measured, monitored, and controlled in a manner consistent with the organisation's risk appetite.