RedFlag®
RISK EXPOSURE ANALYSIS

CAP Index® DEFINING RISKS. DEVELOPING SOLUTIONS.

RedFlag®

Table of Contents

CAP Index® DEFINING RISKS. DEVELOPING SOLUTIONS. | RedFlag®

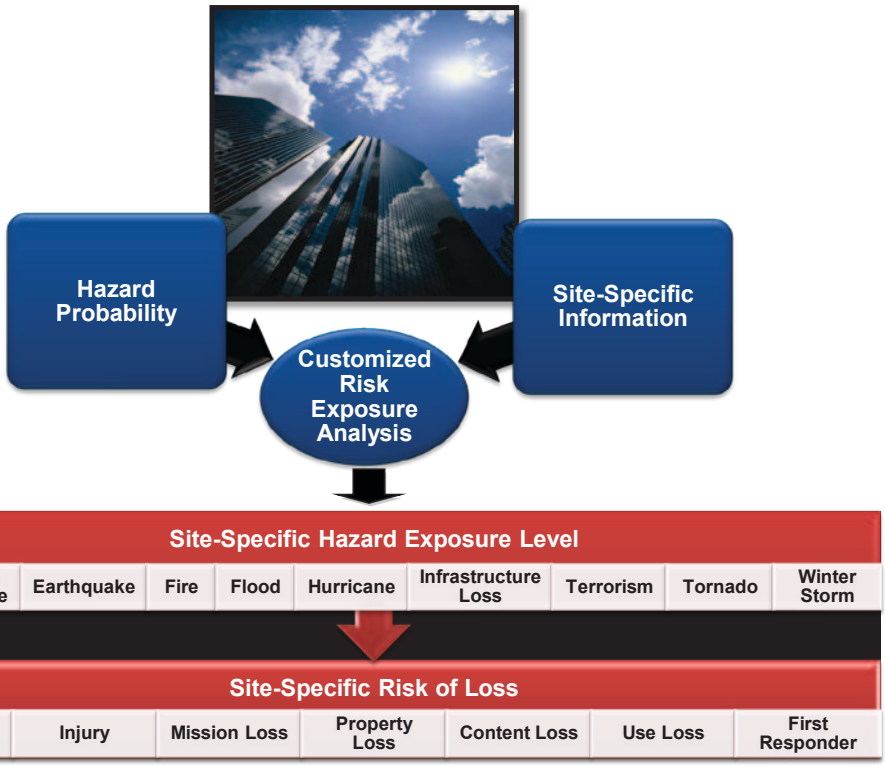
RedFlag® History and Model

The RedFlag® concept was originally developed by Sandia National Laboratories to assess risk levels in more than 280 million square feet of federally owned or leased properties housing more than one million employees. It reflects thousands of hours of expert input and data gathering. RedFlag assessments have been performed and validated across thousands of sites.

RedFlag was extended and expanded by CAP Index for the private sector, enabling security practitioners and risk managers to evaluate the relative risks and vulnerabilities at a wide range of properties. A RedFlag analysis helps businesses answer the questions, "What have you got to lose and how likely are you to lose it?"

RedFlag encompasses sets of rules, equations and scoring matrices that combine user input, expert opinion and empirical data to calculate a building's relative risk level. Much of the empirical hazard data involves decades of historical information and stems from government sources, such as the U.S. Geological Survey and FEMA. The crime hazard levels were derived from CAP Index's CRIMECAST® system.

Hazard probabilities are coupled with site information supplied by the user. The result is a customized, detailed analysis of a site's exposure to specific hazards and their potential consequences.



Moderate Case
Stand-Alone Store

Miami, FL 33143

Assessment Completed On:	10/1/2009
Assessment Created By:	Demo User
Max. Hazard Score:	9
Max. Consequence Score:	8

RedFlag provides a customized, detailed analysis of a site's exposure to specific hazards and their potential consequences. This page summarizes the findings. The details can be found on the page that follows.

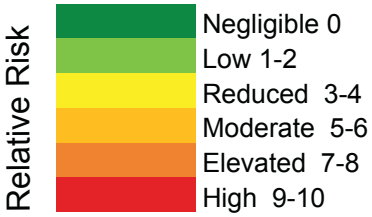
HAZARDS are defined as specific types of occurrences that can pose a threat to life, health and property. CONSEQUENCES are losses that might result when specific hazards occur. RedFlag examines five natural hazards (Earthquake, Flood, Hurricane, Tornado and Winter Storm) and five other hazards (Crime Inside, Crime Outside, Fire, Infrastructure Loss and Terrorism). There are seven potential consequences: Death, Injury, Mission Loss, Property Loss, Contents Loss, Use Loss and First Responder Loss. [All of these terms are defined in the Glossary, on a subsequent page.] The risk levels for hazards and consequences are categorized sequentially as "Negligible, Low, Reduced, Moderate, Elevated and High," all arrayed along a 0 to 10 scale. With each increase in the score, the risk of loss increases exponentially.

HAZARD

Crime Inside	MODERATE - 6
Crime Outside	MODERATE - 5
Earthquake	NEGLIGIBLE - 0
Fire	REDUCED - 4
Flood	HIGH - 9
Hurricane	ELEVATED - 8
Infrastructure Loss	REDUCED - 3
Terrorism	REDUCED - 3
Tornado	REDUCED - 3
Winter Storm	NEGLIGIBLE - 0

CONSEQUENCE

Death	MODERATE - 5
Injury	MODERATE - 5
Mission Loss	MODERATE - 6
Property Loss	ELEVATED - 8
Contents Loss	MODERATE - 6
Use Loss	MODERATE - 6
First Responder	REDUCED - 4



Moderate Case
Stand-Alone Store

Miami, FL 33143

Assessment Completed On:	10/1/2009
Assessment Created By:	Demo User
Max. Hazard Score:	9
Max. Consequence Score:	8

RedFlag produces 0-10 scores for each of seven potential consequences (Death, Injury, Mission Loss, Property Loss, Contents Loss, Use Loss and First Responder Loss) for nine different hazards (Crime Inside, Crime Outside, Earthquake, Fire, Flood, Hurricane, Terrorism, Tornado and Winter Storm). Please note that the hazard of Infrastructure Loss pertains only to two potential consequences: Mission Loss and Use Loss. All of these terms are defined in the Glossary, on a subsequent page.

The matrix below provides the 0-10 score, along with its corresponding color category, for each of these 65 possible hazard by consequence pairs. The higher the score, the greater the risk. With each increase in the score, there is an exponential increase in the risk. The results in the table below are summarized on the preceding page, collapsing across all consequences for each hazard and across all hazards for each consequence.

Relative Risk
- Negligible 0
- Low 1-2
- Reduced 3-4
- Moderate 5-6
- Elevated 7-8
- High 9-10

CONSEQUENCE \ HAZARD	Crime Inside	Crime Outside	Earthquake	Fire	Flood	Hurricane	Infrastructure Loss	Terrorism	Tornado	Winter Storm
Death	6	6	0	2	2	4		1	1	0
Injury	6	5	0	2	3	4		1	2	0
Mission Loss	5	2	0	4	7	6	2	2	3	0
Property Loss	5	3	0	5	10	9		3	3	0
Contents Loss	5	6	0	4	7	5		2	3	0
Use Loss	5	6	0	5	7	6	3	3	3	0
First Responder	4	3	0	5	0	2		1	1	0

Moderate Case
Stand-Alone Store

Miami, FL 33143

Assessment Completed On:	10/1/2009
Assessment Created By:	Demo User
Max. Hazard Score:	9
Max. Consequence Score:	8

The supplemental survey is defined by the account holder and has no bearing on the RedFlag® scoring of this site.

Surrounding Neighborhood is:
No answer.

Current Annual Salary Review is performed during which quarter?
No answer.

When did the last Category 1 incident occur at this location?
No answer.

Hazards - Specific types of occurrences that can pose a threat to life, health and property.

Natural Hazards (Earthquake, Flood, Hurricane, Tornado, and Winter Storm):
Potential exposure to loss from natural phenomena

Other Hazards:

Internal Crime - Potential Exposure to loss from crime inside your building

External Crime - Potential Exposure to loss from crime outside your building

Fire - Potential Exposure to loss from combustion

Infrastructure Loss - Potential exposure to loss of off-site infrastructure that might impact the use or mission of a facility. Off-site infrastructure can include energy, water, communications, transportation, etc.

Terrorism - Potential exposure to violent acts that are intended to create fear and are perpetrated for an ideological goal

Consequences – Losses that might result when specific hazards occur

Death - Loss of life

Injury - Bodily harm to an employee, visitor, or customer

Mission Loss - Disruption to the overall conduct of business

Property Loss - Damage to a building

Contents Loss - Material loss inside a building

Use Loss - Disruption to the use of a facility for its intended purpose

First Responder - Risk of harm to first responders

RedFlag®
RISK EXPOSURE ANALYSIS

Frequently Asked Questions (FAQs)

Q: What is RedFlag®?

RedFlag® is a relative risk assessment tool applicable in a broad range of business and government settings. Originally developed over many years by Sandia National Laboratories under the name of RAMPART™ for government use, RedFlag was extended and expanded by CAP Index, Inc. for the private sector, enabling security practitioners and risk managers to evaluate the relative risks and vulnerabilities at a wide array of properties. A RedFlag analysis helps users answer the question, "What have you got to lose and how likely are you to lose it?"

Q: What is the structure of the RedFlag® system?

RedFlag® consists of a user interface, a database, and an expert system:

- The user interface elicits information from the user for a building and presents graphical results.
- The database provides the empirical data for the site assessment through survey responses and a large compilation of hazard and crime information.
- The expert system is a set of rules, equations, and scoring matrices that combine a user's input and the information in the database to calculate the building's risks relative to those of other buildings.

Q: From where do the data come?

Much of the empirical hazard data involves decades of historical information and stems from government sources, such as the U.S. Geological Survey and FEMA. The crime hazard levels were derived from CAP Index's CRIMECAST® system.

Q: What happens if I make changes to my facility?

Building changes can quickly be incorporated into the risk assessment and the effects of those changes can be observed easily in the RedFlag® results. Simply return to the original survey, adjust the appropriate responses, and re-score the report to reflect the site modifications. Thus, the impact of site changes on various risks can be determined. Of course, the user should always attempt to keep RedFlag® surveys up-to-date.

Q: How do I run a simulation to determine the effects of various security levels or other site changes?

RedFlag® was designed so that potential building structure and security changes can be evaluated for comparison purposes. The user can simply create a new scenario by clicking on the "Create Scenario" button within the Results page. After the responses are adjusted and the survey is re-scored, the results screen will display the impact of those changes and allow for the comparison of multiple scenarios.

CAP Index® DEFINING RISKS. DEVELOPING SOLUTIONS. | RedFlag®