
Risk Management Policy

as approved by the Board of Directors on 22 August 2008

The Audit and Risk Committee was established to assist the Board fulfil its fiduciary, governance and regulatory responsibilities.

This Policy outlines the key processes, as overseen by the Audit and Risk Committee, for the identification, assessment, monitoring and management of material risk by the Company.

1. Purpose

- (a) The Company is committed to management of risk throughout its operations. It considers risk recognition and management to be integral to its ability to:
 - (i) create and maintain shareholder value;
 - (ii) successfully execute strategies; and
 - (iii) achieve best practice
- (b) The Company's Risk Management Policy guides the Audit and Risk Committee and Board in their identification, assessment, monitoring and management of business, market, operational, financial and reputational risk.

2. Risk Profile

- (a) The Company generates its risk profile on the basis of reviews of its core business areas.
- (b) The Company risk profile describes the material financial and non-financial risks facing the company.
- (c) The Company reviews and updates its risk profile annually.

3. Risk Management

To effectively manage risk, the Company:

- (a) identifies and assesses financial and non-financial risks in terms of potential impact and likelihood of occurrence;
- (b) ranks risks according to likely impact;
- (c) determines acceptability of each risk;
- (d) agrees on control measures to eliminate, reduce or manage each material risk;
- (e) assigns responsibilities for the internal management of each material risk and the implementation of each control measure; and
- (f) presents results of risk management assessments to the Board annually and updates them whenever necessary.

4. Accountabilities

4.1 Management

Management:

- (a) ensures that major risks are identified, assessed and managed;
- (b) informs the Audit and Risk Committee of significant business risks; and
- (c) confirms to the Audit and Risk Committee that risk mitigation strategies and controls are operating properly.

4.2 Audit and Risk Committee

The Audit and Risk Committee:

- (a) oversees the implementation of the risk management policy;
- (b) evaluates internal processes for identifying, assessing, monitoring and managing key risk areas;
- (c) commissions an annual internal audit analysing the effectiveness of the risk management and internal compliance and control systems and the effectiveness of their implementation;
- (d) oversees the company's financial and non-financial risk profiles;
- (e) informs the Board that:
 - (i) the Company has effectively implemented the risk management system and internal compliance and controls; and
 - (ii) Management has confirmed that risk mitigation strategies and controls are operating efficiently and effectively in all material respects

4.3 The Board

The Board reviews, monitors and is ultimately responsible for the risk management policy, strategies and processes.

5. Risk Oversight

- (a) The Audit and Risk Committee oversees the Company's financial affairs and exposure to business, market, operational, financial and reputational risks.
- (b) Every employee of the Company:
 - (i) has a responsibility for ensuring that any known breach of internal controls is reported to the appropriate level so that it can be dealt with accordingly; and
 - (ii) is encouraged to identify and report to their manager any potential business risk.

6. Evaluation

The Board assesses and reviews the effectiveness and suitability of the risk management policy annually.