

## SUMMARY OF RISK MANAGEMENT POLICY

The Board has adopted a Risk Management Policy. Under the Policy, the Board delegates day-to-day management of risk to the Managing Director. The Policy sets out the role of the Managing director and the Board appointed Risk Management Co-ordinator and their accountabilities. It also contains the Company's risk profile and describes some of the policies and practices the Company has in place to manage specific business risks.

A Risk Management Committee, operating under a Risk Management Committee Charter, assists the Managing Director to identify, assess, monitor and manage the Company's risks, reporting any risk management concerns to the Board.

The Managing Director is required to report on the progress of, and on all matters associated with, risk management as a standing item at each Board meeting. The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks at least annually.

The Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself at least annually that management has developed and implemented a sound system of risk management and internal control.

The Board has formalised and documented the management of its material business risks. This system includes the preparation of a risk matrix by third party consultants in consultation with the Board and management to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks is allocated to members of senior management. Risk is a standing item at each scheduled Board meeting and the risk matrix is reviewed and updated as required.

The Board also receives a written assurance from the Chief Executive Officer and the Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.