

RISK MANAGEMENT POLICY

1. PREAMBLE

- 1.1. The identification and effective management of risk, including calculated risk-taking is an essential part of the Company's approach to creating long-term shareholder value.
- 1.2. The following is the Company's framework for:
 - 1.2.1. risk management; and
 - 1.2.2. internal compliance and control systems.

2. RISK FACTORS

Risk factors that the Board considers to be particularly relevant, and that are covered by the Policy, fall within the following categories:

- Strategic risk
- Operational risk
- Compliance risk
- Financial risk (including financial reporting, treasury, information technology and taxation)
- Reputation risk; and
- Project risk.

A risk register is maintained in respect of risk factors identified as part of its risk management system.

3. GENERAL APPROACH

All key management personnel are responsible for using a common-sense approach to foreshadowing and identifying risks and their potential impacts as well as developing mitigation strategies and promptly alerting the Board to the same.

4. DESIGN OF RISK MANAGEMENT SYSTEMS

The Board requires management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively.

The managing director or CEO is responsible for designing, implementing and reporting on the adequacy of the company's risk management and internal control system. Management reports to the Risk Committee on the Company's key risks and the extent to which they believe these risks are being managed.

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This is to be performed on a six monthly basis or more frequently as required by the Board or any relevant committee.