

POLICY 22

RISK MANAGEMENT POLICY

RESPONSIBILITY: QHSE MANAGER

1 INTRODUCTION

It is the policy of the Group that all operations are conducted in a manner which ensures, as far as reasonably practicable:

- the prospect of achievement of the goals and objectives of the Group (financial, commercial, corporate and otherwise) for the benefit of the Company and its shareholders is optimised;
- performance of the Group (financial, commercial, corporate and otherwise) for the benefit of the Company and its shareholders is optimised;
- the health and safety of all employees, customers, visitors to the Group sites and others who may be affected by the Group's operations are respected;
- all applicable legislation and regulatory obligations are met;
- assets and revenue generation capacity are protected against loss and damage;
- the Group's reputation and image, and that of its personnel, are not disrespected or damaged;
- the community and environment are respected in the Group's operations.

2 POLICY OBJECTIVE

This policy objective will be enhanced by implementation, throughout all parts of the Group, of an effective risk management program including the following:

- Identifying and monitoring of issues that may impede the goals, objectives and performance of the Group;
- maintenance of a risk management framework (which covers strategic, operational and other enterprise risks) based on industry accepted standards;

- maintenance of internal control systems in order to provide management with accurate, relevant, timely and reliable financial and operating information;
- monitoring and resolving safety issues throughout the Group;
- conduct of operations and maintenance of records in accordance with Group policies and legislative requirements;
- monitoring and reporting to the Board, including via the relevant Board committee concerning risk management, of significant circumstances and risk management issues which may affect the Group;
- implementation of loss prevention and control measures directed at reducing, transferring or otherwise mitigating (within prudential risk assessed parameters) the potential for loss or damage;
- management of insurance programs to allow the Group to acquire appropriate coverage at reasonable premium levels and on reasonable terms having regard to industry standards;
- design and implementation of effective business continuity and crisis management risk strategies.

3 RESPONSIBILITY

The Board is responsible for setting the Company's appetite for risk(s), and tolerance for risk(s) (as appropriate), overseeing the Group's risk management framework and satisfying itself that the framework is sound.

Responsibility for risk identification and for establishing and maintaining effective risk management strategies and practices, in the context of and within the Company's appetite and tolerance for risk(s) set by the Board, rests with the CEO and senior management, accountable to the CEO and the relevant Committee of the Board with responsibility for such matters.

4 RISK MANAGEMENT FRAMEWORK

The Group's risk management framework should be based on an appropriate industry accepted standard such as AS/NZS ISO 31000 2009 series (or similar) with such adaptation (as appropriate) having regard to the Group's particular needs.