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Risk Management and Internal Control

1. RISK MANAGEMENT AND INTERNAL COMPLIANCE AND CONTROL

The Board or a committee of the Board determines the Company's risk profile and along with senior management, is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company's process of risk management and internal compliance and control shall include:

(a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;

(b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;

(c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and

(d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

(a) effectiveness and efficiency in the use of the Company's resources;

(b) compliance with applicable laws and regulations; and

(c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management.

The risk profile of the Company contains both financial and non-financial factors including material risks arising from competition, product quality, currency movements, regulatory matters, motivation and retention of staff and executives and investments in new products and projects.

To mitigate these risks, the Company has in place a broad range of risk management policies and procedures including regular briefings at Board meetings, rigorous appraisal of new investments, and advisers familiar with the Company.

Management is responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the international business environment. The Company's risk management framework is reviewed at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board.

This policy is reviewed every **two years**