



## Risk Management Policy

The Board has overall responsibility for the Company's system of risk oversight and management. The Company has put in place certain procedures to ensure effective and efficient operations to assist to identify, analyse and measure risks and to manage the risk of failure to achieve its business objectives in order to protect its assets and interests and to ensure the integrity of reporting. While these procedures minimize losses and maximise opportunities, those procedures cannot however guarantee assurance against a risk of material loss.

To assist in discharging its responsibility for risk management, the Board has a framework comprising various policies and practices. The policies and practices fall into a number of categories that include:

- Financial budgeting and management reporting: Monthly management accounts and cash-flow forecasts are prepared to compare actual results against budget. The cash-flow forecasts is a flexed budget that is updated on a regular basis.
- Hedging activities are regularly reported to the Board. The Audit Committee reports on its activities to the Board;
- Limits of authority: The Company has policies and practices in place specifying delegated authority and limits of authority in areas such as its capital expenditure;
- Operational reporting: The Board receives regular reports on the Company's main operations including operations and strategy;
- Special reporting: The Board receives regular reports on issues concerning occupational health and safety, environment, corporate risk and insurance, human resources and administration; and
- Corporate opportunity reviews: The Company has practices in place to review new corporate opportunities. They include, in the case of new acquisitions detailed due diligence exercises and budgeting.

The Company may also engage specialised contractors and external advisers including external auditors to assist with identifying and managing risk issues for the Company.

The Managing Director will provide the Audit and Risk Committee with a Report of Risk Management at least annually.

In accordance with best practice, for the annual and half- yearly financial statements, the Managing Director and the Chief Financial Officer provide to the Audit and Risk Committee a written certificate stating that:

- The integrity of the financial statements are founded on a sound risk management and internal compliance and control, which in all material respects, implement the policies and arrangements assumed by the Board; and
- The risk management and internal compliance and control system of the Company are operating efficiently and effectively, in all material respects.

The Company reviews regularly and at least annually, and where required, makes improvements to its risk management and internal compliance and control systems.