

Introduction

The Board has delegated to the Audit and Risk Management Committee the primary responsibility for ensuring that throughout the Company, risks are identified and monitored. The discharge of this responsibility is assisted by:

Principles

The Risk Management Policy provides the guiding principle for management in the identification of risks across the organisation as a whole, and within individual business units. The analysis and evaluation criteria are used to continually assess the impact of risks upon the Company's business objectives.

Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of the internal and external risk profile of the company. Senior managers report periodically to the CEO and CFO on the areas they are responsible for, including key business risks.

The Company's business risk management process, once formalised, will provide a comprehensive, integrated approach for carrying out risk management activities. This process will allow senior management to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value.

The categories of risks include the following: -

- Regulatory risk
- System/IT process risk
- Financial Management Risk
- Business and Operational Risk

A risk management model is being developed, and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole or specific business activities within the Company.

Responsibilities

Chief Executive Officer

The CEO is accountable to the Board, through the Audit and Risk Management Committee for ensuring that the risk management system is implemented and maintained in accordance with the Risk Management Policy. The CEO may assign responsibilities in relation to risk management within the Company.

Senior Executives

Senior Executives are accountable for strategic risk management within areas under their control including the dissemination of the risk management process to operational managers.

Collectively the Senior Executive is responsible for:

- The formal identification of strategic risks that impact upon the Company's business;
- Allocation of priorities;
- The development of strategic risk management plans.

The Senior Executives will review progress against agreed risk management plans.