

## **Risk management and internal compliance and control system**

The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business. The Board has responsibility for establishing policies and ensuring that these are implemented.

The Board has a Risk Management Framework (Framework) that is based on Australian Standard 4360/2004, which sets out the overarching philosophy, principles, requirements and management with the Company. The objective of the Framework is to ensure that the Company identifies and manages risks to ensure as far as practicable that opportunities are maximised and losses or negative consequences are minimised.

The Framework sets out the ways in which risk (including compliance risk) is defined, managed, assessed and monitored, and provides the infrastructure for risk management.

The Treasury Group Investment Services Ltd (TIS) Risk and Compliance Services team has been engaged by the Company to provide services in relation to risk management and the Company has appointed a senior manager within the Company to be responsible for risk management, including supervising TIS in the provision of services to the Company.

Approximately once each calendar year, the Company will go through a formal process to review risk management processes and develop a risk management plan for the next eighteen months. Senior management and the board members will participate with the appropriate staff to ensure that the process is effective.

The Board receives monthly management reports on those areas of risk that have been identified. In addition, as specified by Recommendation 7.2 of the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*, the MD and CFO provide a written assurance that the risk management system is effective, efficient and accurately reflected in the Company's financial statements.