

Easton Investments Limited (the **Company**) is committed to managing risk to protect its staff, the environment, Company assets and its reputation as well as to realise opportunities.

The Company's policy is to consider the balance of risk and reward, as far as practicable, in order to optimise the returns gained from its business activities and to meet the expectations of its stakeholders.

The Company will adopt a Risk Management Framework based on the (AS/NZS ISO 31000:2009 standard) to ensure that there is a systematic process to identify, analyse, assess, manage and monitor risk.

### **Responsibilities**

#### **1. Board**

The Board implements this policy by ensuring that adequate procedures are in place to identify the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks.

The Board is responsible for approving and reviewing on an annual basis, the overall risk management strategy.

#### **2. Audit & Risk Committee**

The Board has delegated to the Audit & Risk Committee responsibility for:

- advising the Board on the matter of internal control including financial statements, due diligence, financial systems integrity and risk management;
- establishing and maintaining processes to ensure that there are adequate systems of internal control, risk management and safeguard of assets;
- overseeing the relationship, appointment and work of internal and external auditors; and
- recommending to the Board that the shareholders terminate the external auditor's appointment where appropriate.

#### **3. Management**

Management implements this policy by establishing and implementing a system for identifying, assessing, monitoring and managing material risks throughout the Company. Management is expected to:

- provide a system of ongoing risk review that is capable of responding promptly to new and evolving risks;
- monitor the effectiveness of the system of risk and internal control management and;
- report routinely to the Board via the Audit & Risk Committee as to the effectiveness of the Company's system of risk and internal control management.

All managers will be responsible for managing risk within their span of control and will be provided with training and support to do this as part of their business planning processes.

#### **4. Scope**

This policy affects all key stakeholders including Board, employees, contractors and clients.

#### **5. Internal Audit Function**

The Audit & Risk Committee having due regard for the current size and complexity of the Company does not believe an internal auditor is warranted at this point in the Company's development.

Approved by the Board on **12 Sept 2012**