



JOHN.BRIDGEMAN

Risk Management Policy

1 Purpose

This policy sets out the commitment of John Bridgeman Limited (**Company**) to maintaining a risk management framework that is consistent with generally accepted risk management practices and the Australian Standard.

Risk is defined in the Australian Standard AS/NZ ISO 31000:2009 as the 'effect of uncertainty on objectives'. Risk is inherent in all business activities, and every employee of the Company continuously manages risk.

Risk management is defined in the Australian Standard as 'coordinated activities to direct and control an organisation with regard to risk'. This document sets out the overarching policy for managing risk at John Bridgeman Limited.

The Company acknowledges that risk management is an important aspect of corporate governance and that although all risk will never be entirely eliminated, steps can be taken to ensure that risk is minimised and managed.

2 Objective

The primary objectives of the Company's risk management framework and processes are:

- To ensure the Company is able to carry out its strategic objectives with minimal risk to employees, shareholders and other interested stakeholders;
- To protect its officers, employees and contractors from physical harm;
- To safeguard the Company's assets including people, financial, property and information; and
- To create an environment where all staff members and contractors assume responsibility for risk management.

3 Scope

This policy applies to all Directors, employees, contractors of John Bridgeman Limited and its controlled entities and organisations.

It also extends to the Company's auditors and any other expert consultants.

Where other more detailed risk management procedures or processes are approved for specific operational aspects of the Company, reference will be made to this policy.



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4 Policy Statement

This policy covers the following aspects:

- Commitment to Risk Management;
- Corporate Governance and Risk Responsibilities;
- Relationship between Risk Management and Strategy;
- Risk Management Continuous Improvement; and
- Business Continuity and Crisis Management.

4.1 Commitment to Risk Management

The Board and Senior Management are committed to risk management and believe John Bridgeman Limited has robust systems and processes in place to manage the business' operational risks, including those related to investment risks in global markets.

The Company believes its risk management processes are consistent with generally accepted risk management practice and that its processes will:

- demonstrate an understanding of the risks of the Company and its business operations and that these risks are being effectively and efficiently managed;
- Provide explicit and pro-active risk management tools and processes that contribute to achieving better financial and non-financial performance outcomes and ensuring compliance with regulatory frameworks;
- create an environment where all staff members and contractors assume responsibility for risk management.

4.2 Risk Governance and Responsibilities

All employees of the Company are responsible for ensuring that risk is effectively managed, however the following are key personnel and groups responsible for monitoring risk and implementing risk management processes:



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Board	Provides policy, oversight and review of risk management and monitors risk on a regular basis
Audit and Risk Committee	Oversees regular review of risk management activities including the activities of the Company's auditor
Chief Executive Officer/Managing Director	Drives culture of risk management and signs off on annual risk attestation
Risk Manager	Continuously monitors and where necessary, improves risk management policy, strategy and supporting framework
Managers	Ensure staff comply with the risk management policy and foster a culture where risks can be identified and managed
Employees and Contractors	Comply with risk management policies and procedures and all legislative and regulatory requirements.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit & Risk Committee and is reviewed by the Board.

The Board's collective experience enables accurate identification of the principal risks that may affect the Group's business.

The Audit & Risk Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. They monitor the Company's risk management by overseeing management actions in the evaluation, management, monitoring and reporting of material, operational, financial, compliance and strategic risks. In providing oversight, the Committee:

- (a) reviews the framework and methodology for risk identification, the degree of risk the Company is willing to accept, the management of risk and the processes for auditing and evaluation of the Company's risk management system;
- (b) reviews group wide objectives in the context of corporate risk;
- (c) reviews and where necessary, approves guidelines and policies governing the identification, assessment and management of the Company's exposure to risk;



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- (d) reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis;
- (e) review compliance with agreed policies.

The Committee recommends any actions it deems appropriate to the Board for its consideration. Responsibility for risk and management and internal control is delegated to the appropriate level of management within the Group, with the Managing Director/CEO and CFO (where relevant) having ultimate responsibility to the Board for the risk management and internal control framework.

4.3 Relationship Between Risk Management and Strategy

Considerable importance is placed on maintaining a strong control environment. Adherence to the Company's Code of Conduct is required at all times and the Board actively promotes a culture of quality, professionalism and integrity. There is however, also a balancing act involving robust and proactive opportunities and mitigating threats.

4.4 Risk Management Procedure

Risk management encompasses all areas of the Company's activities. In order to properly identify and develop strategies and manage risk, the Company has a risk management framework based on the following key processes:

- (a) Identifying the potential risks that exist across all business lines;
- (b) Assessing the potential consequences, likelihood of occurrence and the degree of impact on the Company of the identified risks;
- (c) Ranking the identified risks based on likelihood, impact and category of risk (risk matrix). This may involve:
 - (i) Assessing the control environment and processes currently in place to minimise the risks;
 - (ii) Developing appropriate processes/improvements/strategies to manage or minimise the risk even further;
 - (iii) Implementing the response developed above and monitoring the response to ensure that the controls used are suitable.

Based on the ranking in (c) above the response may include strategies aimed at eliminating, mitigating, transferring or accepting the risk.



4.5 Current Risk Management Practice & Continuous Improvement

The Company has in place a number of procedures and processes which assist in reducing risk and promoting continuous improvement, including the following:

- An insurance and re-insurance program which is reviewed by the Audit & Risk Committee and the Board;
- Regular compliance, management and financial reporting;
- Information Disclosure Policy which meets the continuous disclosure requirements of the NSX and the ASIC;
- Company Policies and procedures to manage operational risks and other legal risks;
- Ongoing training and development programs for employees and company officers; and
- Oversight of the company's financial reporting and audit requirements and audit plans by the Audit & Risk Committee.

Additionally, all other significant areas of the Company's operations are subject to regular reporting to the Board, including development, finance, legal, compliance, environment, government and investor relations.

5 Other Matters

5.1 Amendment of policy

This Policy can only be amended with the approval of the Board.

5.2 Adoption of Policy and Board review

This Policy was adopted by the Board as at 16 December 2016.

5.3 Review

The Board and the Audit and Risk Management Committee must review and reassess this Policy at least once each calendar year. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to employees and shareholders as appropriate.

6 Definitions

In this Policy:

Audit & Risk Committee means the Committee established under the Company's



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Audit & Risk Committee Charter.

Board means the board of the Company.

CFO means the Chief Financial Officer or equivalent officer (by whatever title known) of John Bridgeman Limited.

Code of Conduct means the Code of Conduct of John Bridgeman Limited.

Company means John Bridgeman Limited ACN 603 477 185.

Company Secretary means the person appointed company secretary of the Company.

Corporations Act means *Corporations Act 2001* (Cth).

Group means John Bridgeman Limited and its controlled entities.

Listing Rules means the listing rules of NSX.

NSX means National Stock Exchange of Australia Limited ABN 11 000 902 063 or the securities exchange operated by it (as the case requires)

Managing Director/CEO means the managing director (or if there is no managing director, the CEO), or equivalent officer (by whatever title known) of John Bridgeman Limited.

Shareholders means Shareholders of the Company.