



CORPORATE GOVERNANCE

Risk Management Policy



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1. INTRODUCTION

Business risk is defined by the Company as any event or action with the potential to disrupt or prevent the Company from achieving its objectives.

Risk management is the process of identifying where there is a risk to the business, assessing the likely impact of the risk, ranking the risks in accordance with the likely impact, developing and implementing a response to the risk and monitoring the implementation of the response.

2. THE BOARD'S ROLE

The Board has the responsibility for risk management.

Risk management encompasses all areas of the Groups activity. Once a business risk is identified, the risk management process provides the necessary framework to enable the risk to be managed.

3. RISK MANAGEMENT POLICIES

Valmec Limited maintains a number of policies and practices designed to manage specific business risk. These include:

- ✔ The Audit and Risk Committee Charter;
- ✔ A Business insurance program;
- ✔ Regular budgeting and financial reporting;
- ✔ The Company's Business Plan;
- ✔ Procedures to review and approve the Company's strategic plans; and
- ✔ Procedure/controls to manage financial exposures and operational risks.

4. APPROVAL

This policy was approved by resolution of the Valmec Limited Board:



Steve Droulich, Managing Director
Date: 21 July 2015