

## **IST LIMITED**

### **RISK MANAGEMENT POLICY**

#### **Balancing Risk and Reward**

IST' Limited (IST) business activities present a range of risks that cannot be eliminated but can be managed. IST's policy is to strive to balance the risks and rewards in conducting business to optimise returns – in accordance with our goals of delivering shareholder value, and its commitments to customers, employees, the community and other stakeholders with an interest in IST.

#### **Framework and Commitment**

Business risks – it is IST's policy to have a common framework across the company to identify, quantify, manage and monitor business risks. IST is committed to reinforcing effective business risk management as a key element in its strategic planning, decision making and execution of strategies.

Financial risks – IST follows principles and policies to manage financial risks, including exposures to foreign currencies, commodity prices, financing and interest rates. These policies are designed to provide a framework within which the exposures must be managed.

Integrity of accounting and financial reporting – the Board monitors risk management policies, procedures and controls to ensure the integrity of IST's financial reporting to stakeholders.

Compliance with the law – the Company maintains policies and procedures to ensure compliance with all legal requirements in the conduct of IST's business activities.

#### **Responsibilities**

The Board is responsible for overseeing the establishment and implementation by management of risk management systems and reviewing the effectiveness of these systems. The Board has assigned responsibility to the following:

- Audit Committee – reviews and reports to the Board in relation to the Company's financial reporting, internal control structure, risk management systems, and the internal and external audit functions.;

- Management – responsible for identifying, managing, and reporting to the Board on, risks in accordance with the policy through a formal organisation-wide risk management framework and other formal and informal risk-specific frameworks and approaches and the effective operation of internal control within the group; and
- Internal Audit – responsible for providing assurance to management and Committee about the effectiveness of processes to manage internal control and risk in accordance with an agreed annual plan.

### **Internal Compliance and Control Systems**

IST undertakes an annual review to evaluate the effectiveness of its compliance, control and risk management systems using the framework.

### **External Audit**

An independent, external audit is performed on the annual financial report of IST. In addition, the external auditor undertakes a review of the quarterly financials of IST. This provides reasonable assurance as to whether the financial reports are free of material misstatement and provides an independent opinion whether the financial reports are presented fairly in accordance with accounting standards and other applicable professional reporting requirements.

### **Measurement and Review of Policy**

This policy will be reviewed from time to time by the Audit Committee of IST to ensure its effectiveness, continued application and relevance.