

Purpose and Scope

This policy is intended to principally address compliance with the ASX Corporate Governance Council: *Principle 7 – Recognise and manage risk*.

For a further information regarding the *Corporate Governance Principles and Recommendations*, it and other associated commentary are available at: www.asx.com.au/supervision/governance/index.htm

Authority

The Executive Leadership Team (ELT) is to authorise all policies. This policy was prepared by the Chief Financial Officer (CFO) and is known in this policy as the Policy Owner.

Responsibility

The ELT as a whole is responsible for the establishment of a sound system of risk oversight and management and internal control.

To facilitate this, “Risk Management” will be included as an agenda item every quarter within the regular ELT Meeting.

The CFO will be responsible for the co-ordination and administration of the risk management process.

They shall in addition be responsible for reporting to the Board Audit and Risk Committee on the effectiveness of CGL’s risk management processes.

Policy

This policy outlines the oversight and management of material business risks which are to be monitored on an annual basis through a risk identification exercise that is to be conducted by the CFO to identify the material business risks of CGL.

Once identified the business risks will be consolidated and incorporated into CGL’s RiskRegister.

There will be quarterly discussions on Risk Management at ELT meetings, where any new material business risks identified shall be raised, and documented into the Risk Register (with the approval of the ELT).

The process is to be managed following the CORP 600 P Risk Management Procedure.

It is divided into four phases:

1. Identification of material business risks.
 - On an annual basis, a risk identification exercise will be conducted by the ELT to identify the material business risks of CGL.
2. Assessment and Prioritisation of material business risks.
 - All risks compiled on the risk register will have their consequences recorded, and have their level of inherent risk measured.
3. Formulation and implementation of appropriate risk mitigation and management strategies.
 - Each risk will require mitigation strategies/processes to be formulated and implemented.
4. Reporting of the effectiveness of risk mitigation (management) activities to the Board Audit and Risk Committee.
 - Once mitigation strategies have been formulated and documented, their implementation status will be recorded on the risk register.

Associated Documents

- CORP PR 600 – Risk Management Procedure

Policy History

<u>Description</u>	<u>Reference #</u>	<u>Date</u>	<u>Authority</u>
Original Policy	CORP 600	11/08	SMT
Revision #1	CORP 600	01/19	ELT
Next Review Due		01/21	ELT

