

RISK MANAGEMENT POLICY

1. Risk Oversight and Management

The Company is committed to the identification, monitoring and management of material business risks associated with its business activities across the Group and has embedded, in its management and reporting systems, a number of overarching risk management controls.

The risk management controls adopted by the Company include:

- Occupational health and safety (including vehicle and driver safety);
- Trade practices;
- Ethical conduct;
- Information Technology disaster recovery and business continuity planning;
- Regulatory compliance risk;
- Guidelines and limits for approval of capital expenditure and annual budgeting weekly/monthly reporting systems for business units which enables the monitoring of progress and performance targets and the evaluation of trends; and
- Environmental management.

2. Role of the Audit Committee

The Audit Committee assists the Board in relation to risk management. The Audit Committee executes this function through a compliance reporting program developed to encompass the areas identified as most sensitive to risk.

3. Internal Audits

The Managing Director, Finance Director and Group Accountant must conduct internal Audits each year on selected branches. All branches are covered in a 3 year rotation.

All findings as discussed by the Managing Director and the Finance Director are escalated to the full Audit Committee if deemed appropriate.

4. Financial Reporting

CEO and CFO Declaration and Assurance

Consistent with Principle 7 of the ASX Corporate Governance Principles and Recommendations (Second Edition) which issued in August 2007 and section 295A of the Corporations Act 2001, the Managing Director (Chief Executive Officer) and Finance Director (Chief Financial Officer) provided a written statement to the Board (“Declaration”) that, in their opinion:

- the Company’s financial report presents a true and fair view of the Company’s financial condition and operating results and is in accordance with applicable accounting standards; and
- the Company’s financial records for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001.

With regard to the financial records and systems of risk management and internal compliance in this written statement, the Board received assurance from the Managing Director and Finance Director that the Declaration was founded on a sound system of risk management and internal control and that the system was operating effectively in all material respects in relation to the reporting of financial risks.

5. Review

This Policy shall be reviewed at least annually or as required.

September 2008