
ARIADNE

ARIADNE AUSTRALIA LIMITED

ENTERPRISE RISK MANAGEMENT POLICY

1. Introduction

- 1.1 The Board of directors (“the Board”) of Ariadne Australia Limited (“Ariadne”) has established an Enterprise Risk Management Policy (“the Policy”). The Policy is intended to enhance Ariadne’s management of risk.
- 1.2 Ariadne will identify and manage its enterprise risks in support of its vision, mission, goals and aims. Ariadne acknowledges that risk cannot be eliminated entirely but will ensure that existing and emerging risks are identified and managed within acceptable risk tolerances. Ariadne will maintain an integrated, proactive and consistent approach to the management of all risks to which the business is exposed in pursuit of its business objectives.
- 1.3 Critical elements of this policy are:
- The Board will approve this Enterprise Risk Management (“ERM”) Policy and the ERM Guidelines, which will establish the context for risk to be managed by the business.
 - The Board has determined that Ariadne will have a ‘moderate’ Corporate Risk Appetite, to guide managers in the achievement of balanced commercial outcomes.
 - The Executive Director (“ED”) and the Executive Management Team (“Management”) will maintain an ERM framework aligned to this policy.
 - The Board will maintain oversight of the ERM framework’s effectiveness in meeting the Board’s objectives for control and operation of the business.
 - The identification of risks and implementation of risk treatments will occur within all of Ariadne’s operating activities and will be a key input into Corporate Strategic Planning. Divisional business planning will be conducted in conjunction with risk thinking to ensure that business plans recognise, demonstrate understanding and show management of key risks.
 - The status of risk exposure and risk mitigation activities will be monitored and reported regularly through line management and to the Board periodically.

2. Rationale

- 2.1 This ERM Policy provides guidance on what level risk should be managed to within the ERM framework.
- 2.2 The Board will have oversight that appropriate levels of resourcing have been allocated to Risk Management.
- 2.3 All Ariadne managers have an inherent obligation to manage risks affecting their business objectives.
- 2.4 The aim of risk treatments is to mitigate risk exposures to a level considered as moderate with regard to financial sustainability and outcomes that take account of customer and shareholder expectations. This principle recognises that risks are an inherent part of conducting business and that they must be managed in a way that balances financial sustainability with customer and shareholder expectations.

- 2.5 A Risk Management Report (“RMR”), also known as a ‘Risk Register’ as set out in Appendix 2 of the ERM Guidelines, is used to actively document the current view of the most significant inherent and residual risks facing Ariadne. The RMR is a dynamic plan that is revised to ensure it always reflects the true state of Ariadne’s risk profile and can be used as a management tool in the treatment of risk. The Corporate Risk profile benefits from risk assessments conducted within the business (bottom up) and the Board’s and Management’s views (top down). External environment scans for inherent and emerging risks are incorporated into the evaluation.

3. Scope

- 3.1 This policy applies to all entities within the Ariadne Group. Encompassed within the scope of this document is management of all aspects of risk, including those related to Health and Safety, Environmental Performance, Fraud and Corruption Control, Cyber Security and Business Continuity Management. Operational standards, policies, procedures and manuals, as relevant, will be established for these areas, within the control of the ERM framework.
- 3.2 Strategies for mitigation of risk exposures, including the organisation’s approach to insurance and controls for emergency and crisis management, are also encompassed within the ERM framework.

4. Review of this Policy

- 4.1 This Policy will be reviewed at least annually by the Audit and Risk Management Committee. In addition, this Policy should be reviewed when Board expectations on risk management change.

5. Access to this Policy

- 5.1 This Policy will be available on the Ariadne’s website.