

GROUP RISK MANAGEMENT POLICY

The Company has established an Audit and Risk Committee, which has a corresponding charter. The objective of the Committee is to make recommendations to the Board regarding the adequacy of the risk management and compliance procedures.

Risk Management Control

Because the Board has the oversight function of risk management and internal control systems, the risk management functions and oversight of material business risks are performed directly by the Board and not by management.

Internal Control and Risk Management

The primary vehicle for managing corporate risks is the Audit and Risk Committee appointed by the Board. The Committee reviews systems of external and internal controls and areas of significant operational, financial and property risk and ensures arrangements are in place to contain such risks to acceptable levels.

The Company ensures that appropriate insurance policies are kept current to cover all potential risks and maintaining Directors' and Officers' professional indemnity insurance.

The Audit and Risk Committee carries out the internal audit function.

CEO and CFO Declarations

The Board has determined that the Chief Executive Officer and the Chief Financial Officer are the appropriate persons to make the CEO and CFO declarations in respect of each financial year end, as required under section 295A of the Corporations Act and recommended by the ASX Corporate Governance Council. The Board also satisfies itself that the internal control system is operating effectively in all material respects.

Internal Controls and Risk Management

- The Board conducts evaluations regarding internal control and risk management;
- The Board receives the assurance of compliance from the Chief Executive Officer and Chief Financial Officer;



- The Company does not have a written policy on risks oversight management of business material risks because the number of people engaged in the Company's operations is insufficient to warrant production of a detailed policy document; and
- Independent professional advice – subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

The Board – Role and Responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance and management supervision of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is outside the knowledge of the Board, appropriate external advice is taken and reviewed prior to a final decision being made by the Board.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- the prudential control of the Company's finances and operations and the monitoring of the financial performance of the Company;
- the resourcing, reviewing and monitoring of executive management;





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- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- the establishment and maintenance of appropriate ethical standards.

The Board undertakes appropriate security checks before appointing a Director or allowing a Director to nominate for re-election as a Director of the Company and provides shareholders with any relevant results of such checks.

The Company has a written agreement with each Director and senior executive setting out the terms of their appointment.



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