



OCEANIA CAPITAL PARTNERS LIMITED

ABN 52 111 554 360

Financial Management Policy

First approved – 15 June 2005

Updated June 2007

Updated October 2009

Updated April 2013

September 2014

1. Any hedge of company borrowings or currency hedge and the underlying transaction it is hedging must be:
 - Approved by an Executive Director and the CFO in advance of executing the currency or interest rate trade;
 - Determined on the basis of a minimum of two bank quotes;
 - Designated as a hedged position at the inception of the hedge (with specific details to be kept by the CFO); and
 - Effective as a hedged position meaning that the amount and timing of the hedge are based on expected outcomes from the underlying transaction being hedged.
2. OCP at all times will adopt an open relationship with banks. The relationships should be such that to the extent OCP or a subsidiary has a banking related requirement, this need can be fulfilled promptly.
3. A policy on investment of surplus cash was approved by the OCP Board on 2 May 2012. Surplus cash may be invested in bank cash deposit accounts and bank term deposit accounts. .

4. The Board will ensure that the scope, cover and cost of the company's insurance program is appropriate in order to protect directors, executive employees and the assets of the business.
5. The liquidity position of OCP and its wholly-owned subsidiaries is to be monitored and cashflow forecasts maintained for a minimum forecast period of 3 months. This forecast will be monitored for potential borrowing or asset sale requirements. Management information systems should be timely and sufficient in their content, format and frequency to prudently manage the liquidity of the Group. OCP will, at all times, maintain liquidity of at least **\$1 million**. Liquidity is equal to cash plus undrawn committed debt facilities.
6. The Group's contingent commitments are to be monitored, incorporated in cash flow forecasts as appropriate, and assessed for potential realisation and accounted for accordingly.
7. The financial performance of OCP is to be monitored against a 12-Month Budget and a 3-Year Outlook. Both of these are to be presented to the Board, for the following 12 months or 3 years, as appropriate, prior to 31 March each year.
8. If, as part of its agreements with lending institutions, OCP has entered into agreements which impose obligations on the Company, including maintenance of financial covenants, then management must monitor compliance with the undertakings imposed by the Company's lenders and ensure they are not breached.

Compliance

It is the accountability of the CFO to apply this Policy at all times and to bring any exceptions to this Policy to the attention of the Board. Reporting to the AFRC or Board on this Policy will be as follows:

- Management will report to the Board meeting in February of each year on overall compliance with the Policy;
- Management will report to the Board immediately any breach of the Company's agreements with lenders;
- A 3 month cashflow forecast for OCP and its wholly-owned subsidiaries will be presented by management to each Board meeting;
- Any breaches of Policy will be reported to the Board meeting immediately following the breach; and

- Updated 12 Month Budget will be presented to the Board meeting immediately prior to 31 March each year.