



OCEANIA CAPITAL PARTNERS LIMITED

ABN 52 111 554 360

Risk Management Policy

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The understanding and management of risk, particularly preservation of capital, is critical to OCP and the Company is committed to ensuring that its culture, processes and structures enables the achievement of OCP's business objectives. OCP has implemented a multi-layered approach to risk management, which includes the components described below.

Board of Directors

The OCP Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business.

The Board will consider and accept appropriate levels of risk in the management and direction of OCP's business and operations.

However, each officer and employee of OCP is expected to play his or her role in complying with risk management procedures.

The Board of the Company has sole approval discretion over each investment made by the Company.

The charter of the Board is to enhance the investment decision making process, rather than taking a "gatekeeper" approach. The Executive Directors will keep the Board closely informed as to investment pipeline and the Board will be closely involved in the development of transactions so that decisions can be made in a timely fashion. In making investment decisions, the Board will

have regard to the risk and return parameters of individual transactions. The Board will also apply a range of risk management initiatives to ensure that the Company's capital is allocated in accordance with the Board's risk policies.

Risk Management Strategy

The Company is committed to ensuring that its system of risk oversight, management and internal control comply with Principle 7 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations, and that its culture, processes and structures facilitate realisation of the Company's business objectives, including potential opportunities while managing adverse affects and preserving capital. OCP is to have a culture and processes that minimise the risk of fraud and theft, and maximise the ability to detect any fraud and theft quickly.

All material risks of the Company's business, including operational, financial, legal and compliance risks related to investment transactions are required to be regularly identified, managed, monitored and reported.

The principal features of the Board's risk management strategy are as follows:

- Preservation of cash resources. Treasury management is overseen by the Executive Directors and Chief Financial officer with ultimate responsibility retained by the Board;
- The Board retaining responsibility for all decisions to proceed with any specific investment or divestment proposal. The Board aims to maximise the returns for all the Company's shareholders by managing each of the Company's current investments with a view to profitable realisation over an appropriate investment timeframe; and
- maintaining a compliance reporting process. This includes having processes in place for bringing reportable incidents and matters to the attention of senior management and, ultimately, the Board. The Board is to receive regular written reports on compliance and risk management matters.

Compliance

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

1. The Board is to receive reports promptly on all suspected and actual instances of fraud, theft and breaches of laws and regulations involving the Group
2. any breaches of Policy will be reported to the Board meeting immediately following the breach
3. the Manager will report to the Board meeting in February of each year on overall compliance with the Policy. This report will include a description of, and status report on, the major risks faced by the Group.