

Dated December 2017

Navitas Group Risk Management Policy Statement

Navitas Limited
ACN 109 613 309

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Group Risk Management Policy Statement

1. Introduction

Risk influences every aspect of Navitas Limited's ("Navitas") and its subsidiaries ("Navitas Group" or "the Group") businesses worldwide. Understanding the risks we face and managing them appropriately will enhance our ability to make better decisions, deliver on objectives and subsequently improve performance.

Each of our stakeholders has made an investment in our business and by doing so, accepts that in order to be successful, we must take risks. In return they expect us to manage risk to an acceptable level and to take risks knowingly. If we fail to identify, assess and manage our risks it may result in considerable unbudgeted expenditure, damaged shareholder confidence and potentially jeopardise the ongoing viability of the Group.

Navitas is committed to managing risk to ensure its business objectives are achieved, to optimise the returns gained from its business activities and to meet the expectations of its stakeholders. Risk oversight and management is an organisation-wide priority, in which all officers and employees of the Group participate.

2. Policy

To realise our risk management objective, the Group will:

- (1) Ensure that an appropriate risk management framework is in place that is aligned to our business strategy and evolves with our business;
- (2) Ensure that the framework includes processes to: identify and assess inherent risks to our business objectives and understand how such risks influence performance; install control mechanisms to manage the inherent risks to residual risks; and confirm the Group's appetite and tolerance for risk.
- (3) Support the framework and strategy with an appropriate organisational structure and ensure that associated responsibilities are clearly defined and communicated at all levels of oversight of the Company, including its control and accountability systems;
- (4) Ensure that risk information is communicated through a clear and robust reporting structure; and
- (5) Integrate ongoing risk management activities within the business.

The proper administration of this policy will contribute to sustaining value for stakeholders.

3. Risk Management Framework

The Risk Management Framework outlines the Group's approach to risk oversight and management and sets out the methodologies adopted by the Group for the ongoing:

- (1) Identification, monitoring and assessment of risks and changes in those risks;
- (2) Development and implementation of processes to manage risks; and
- (3) Reporting of risks and mitigating controls.

The implementation of this Risk Management Framework fosters a strong risk management culture throughout the organisation.

4. Responsibilities

4.1 The Navitas Board

The Board determines the Company's risk tolerance and appetite, and in doing so seeks to strike an appropriate balance between risk and reward in the Company's overall strategy.

The Navitas Board must satisfy itself that significant risks faced by the Group are being managed appropriately and that the system of risk management within the Group is robust enough to respond to changes in our business environment. The Navitas Board will also ensure that there is an appropriate organisation and reporting structure in place to support the delivery of this policy on an ongoing basis. The Audit and Risk Committee will assist the Board with this task.

4.2 Navitas Audit and Risk Committee (ARC)

The ARC will have the following responsibilities in regard to risk management:

- (1) Assess the internal process for determining and managing key risk areas;
- (2) Confirming management's risk appetite and tolerance;
- (3) Ensure that the Navitas Group has an effective risk management system and that material business risks to the Navitas Group are reported at least twice a year to the Board;
- (4) Evaluate the process the entity has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk;
- (5) Assess whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk; and
- (6) Ensure the continuous development of risk management in the Navitas Group and for supervising the implementation of risk management in compliance with the risk management policy and guidelines.

4.3 Navitas Management

Management is responsible for implementing the Risk Management Framework into their activities. This includes identifying and evaluating risks within their area of responsibility, implementing agreed actions to manage risk and for reporting as well as monitoring any activity or circumstance that may give rise to new or changed risks. At a minimum, divisional and business unit risks should be moderated at SMT level before presentation to the Navitas Board.

4.4 All Navitas Employees

All employees have a general duty of care and are responsible for complying with requests from management in connection with the application of this policy. Through appropriate preventive action, all reasonable care should be taken to manage events which could prevent the Navitas Group from achieving its objectives and to ensure that the Group's operations, assets and reputation are safeguarded.

4.5 Group Internal Audit and Risk Management

Group Internal Audit and Risk Management ("GIARM") is responsible for managing the risk management system and provides assurance to the Audit and Risk Committee on the effectiveness of the internal control procedures and mechanisms in place to manage risks across the Group, that risks are being adequately/appropriately identified and that the principles and requirements of managing risk are consistently adopted throughout the Navitas Group.

5. Review

This Policy and the Risk Management Framework will be reviewed periodically as appropriate to take account of the Company's evolving circumstances and developments in market practice.

6. Approval Schedule

Approved	8 December 2005	Board
Revised	29 January 2010	Audit and Risk Committee
Revised	13 December 2010	Audit and Risk Committee
Revised	27 April 2012	Audit and Risk Committee
Revised	2 May 2013	Audit and Risk Committee
Revised	December 2013	Audit and Risk Committee
Revised	December 2014	Audit and Risk Committee
Reviewed	December 2015	Audit and Risk Committee
Reviewed	December 2016	Audit and Risk Committee
Reviewed	December 2017	Audit and Risk Committee

Distribution

Via the centralised policy and procedure document system and intranet for all staff access.