# Computershare Limited

# Risk Management Policy

Computershare Limited (ABN 71 005 485 825)

# Computershare Limited
# Risk Management Policy

## 1. Introduction

Computershare Limited (the *Company*) through its various subsidiaries engages in a number of businesses, most of which involve the provision of high volume, low margin transactions in financial services markets, and some of which involve accepting fiduciary responsibility. By their nature, such services present a substantial level of risk, including financial, technological, compliance, and operational risk, which must be mitigated on a continuous basis if the overall growth and prosperity of the Computershare Group is to be assured.

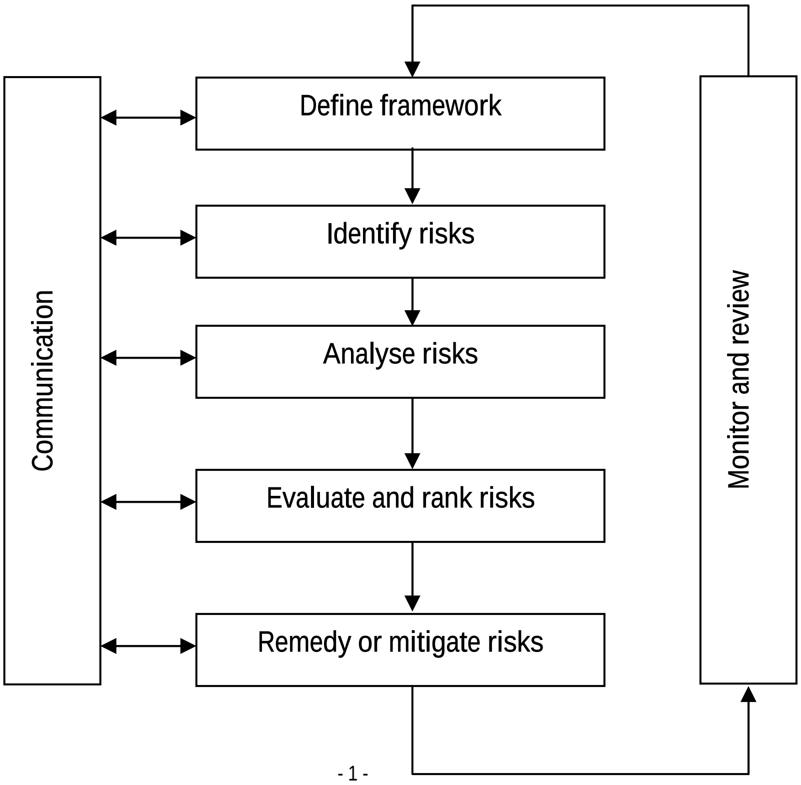
This Policy is designed to provide the broad framework for identifying and managing risk within Computershare's businesses. In prioritising the Computershare Group's approach to risk management, it is a primary objective to manage each specific risk so as to neutralise its impact on the Company, with a particular focus on those risks identified as critical or material to the business.

The Computershare Group's risk management policies and procedures together describe its risk profile and detail all aspects of its risk management framework, internal control system and internal audit function.

## 2. Policy

The methodology set out in the Australian and New Zealand Standard on Risk Management Systems (AS/NZS 4360-1999) has been used as a benchmark in developing this Policy, and will be used to assist in monitoring and implementing risk management measures across the Computershare Group, unless local standards and systems available in jurisdictions in which the Group operates are more suitable to markets in those jurisdictions.

The key elements of the Company's risk management system are shown below.



In analysing business risks to the Computershare Group, a number of different matters will be taken into account, including the likelihood of a particular risk occurring and the consequences likely to arise if that risk does occur as well as the existing business processes in place to remedy such a risk and the effectiveness of those processes. To this end, Computershare's internal audit function will work with respective business units to assess existing internal controls and establish new ones as appropriate.

## 3. Oversight of Risk Management Policy

The Board is ultimately responsible for ensuring that the Company's risk management practices are sufficient to mitigate, to the most cost-effective extent possible, the risks present in the Company's various businesses. The Board delegates a portion of this responsibility to its Risk and Audit Committee (the *Committee*), which is made up of Board members with particular talents and experience in this regard.

Management is instructed and empowered by the Board to implement appropriate risk management strategies, including an internal control system, in cooperation with the Board and the Committee. In addition, Management is expected to report to the Board (or the Committee on its behalf) on developments related to Computershare's business risks, and suggest to the Board new and revised strategies for mitigating such risks. Management is also expected to provide an annual statement to the Board as to whether the Company's material business risks are being managed effectively.

## 4. Areas of Ongoing Risk to Computershare

The Company is subject to a number of types of risk that can be expected to be enduring elements of its businesses. The Board and Management will seek to identify, analyse, evaluate and, to the extent possible, remedy (or at least mitigate) these risks, which include:

- technology risks, including in the Company's proprietary systems, systems licensed from third parties and those used by competitors;
- economic risks, including interest rate and foreign exchange fluctuations, market conditions and costs of doing business;
- market structure and regulation risks, including share registration regimes, the emergence of competitors from related fields, and regulatory initiatives;
- operational risks, including transaction processing errors and related business process failures;
- compliance risks, including issues with regulatory authorities which govern licences required by the Company to do business;
- business continuity risks, including planning for fire, terrorism, and other events that require disaster management;
- human resource risks, including succession planning, recruitment, compensation, and retention issues;
- capital adequacy risks, including access to debt and equity resources necessary to operate and expand the Company's businesses and compliance with financier's required covenants; and
- accounting and financial control and reporting risk.

The Board will directly, and via the Committee, work with Management on an ongoing basis within the risk framework outlined above to mitigate the risks to the Company's businesses as they may evolve over time.