

# **WILSON HTM INVESTMENT GROUP LTD**

## **RISK MANAGEMENT FRAMEWORK OVERVIEW**

### **Document Control**

Owner	Managing Director, WIG
Approval	Audit Compliance & Risk Management Committee
Commencement	September 2009
Primary Rules/Rationale	ASX Listing Rules Corporate Governance

# ***WILSON HTM INVESTMENT GROUP LTD***

## **Risk Management Framework Overview**

Risk Management is considered a critical discipline and competency for Wilson HTM Investment Group Ltd (“The Company”) that enables it to meet its strategic and business objectives. The fundamental objective is to ensure that adequate controls are in place to manage the Company’s regulatory / compliance risks, and to facilitate the Company in building and preserving shareholder value.

### **Responsibility**

The Board of the Company (“the Board”) is responsible for ensuring that adequate controls are in place to identify, assess, monitor and manage risks that the Company is exposed to.

In addition, the Board has responsibility to ensure that internal controls and procedures are adequate for monitoring compliance with laws and regulations. The Board has mandated the Audit Compliance and Risk Management Committee (“the Committee”) with the responsibility of ensuring that an appropriate risk management framework is in place to manage the range of risk exposures encountered by the Company in carrying out its business activities.

The Risk Manager is responsible for the maintenance of Risk Management Framework.

### **Risk Management Framework**

To support the effective management of risks, the Company has established a framework that encompasses policies, procedures, systems, monitoring & reporting tools in addition to the core business risk management competencies of its staff. A continuous improvement program for the risk management framework is in place to maintain a robust framework that considers the range of risk exposures the Company encounters in executing its business activities, and importantly the context and profile in which it manages these risks. The framework has been developed and is annually reviewed based on industry risk management standards and guidelines such as the AS/NZS4360: 2004 (ISO: 31000) Risk Management Standard.

The framework has been developed for the following major risk categories:

- Capital
- Markets (listed & OTC, equity, debt & derivatives)
- Credit
- Liquidity
- Regulatory
- Information & Technology
- Counterparty & Concentration
- Settlement & Operational
- People & Performance

It incorporates:

- Systems & processes to identify, assess, mitigate & monitor risks
- Processes to ensure that management and staff are involved in the development and maintenance of the framework
- Processes to ensure that the framework is regularly reviewed
- Regular reporting to the Committee and to the Board

### **Audit Compliance and Risk Management Committee**

The Committee monitors the effectiveness and ongoing development of the risk management framework elements. Improvements to the framework are regularly considered and approved by the Committee to ensure that the framework considers the current and emerging risks of the Company, and that appropriate risk identification / assessment techniques and internal controls are established and effective in helping to manage these risks.