

Summary of Boulder Steel Limited Risk Management Policy

1. Commitment to risk management

The Company is committed to ensuring that all staff, particularly those with management and decision making responsibilities, have a sound understanding of the principles of risk management. The Company recognises risks as part of doing business and thus promotes responsible risk taking. The challenge is to manage risks appropriately given the nature of the Company's business.

2. Risk Management Policy

To manage such risks, the Company has implemented a Risk Management Policy which describes the roles and respective accountabilities of the Parent Company Board, Audit committee and management together with the oversight structure for all companies in the Boulder Steel group.

3. Objective of policy

The objective of the Risk Management Policy is to effectively identify, assess, monitor and manage risks which the Company and other companies in the Boulder Steel group are exposed to. The Company has adopted the following procedures:

- (a) identify the risks (business, financial, legal or operational);
- (b) assess and rank the risks to determine management priorities; and
- (c) develop appropriate controls which mitigate the identified risks – the aim is to anticipate and manage risks.

4. Who is responsible?

- (a) Parent Company Board: oversees risk management by establishing the Risk Management Policy and reviewing its effectiveness on an annual basis.
- (b) Audit committee: advises the Parent Company Board on appropriateness of the Risk Management Policy and oversight structure. It reports on matters of concern raised by management and internal and external auditors.
- (c) Subsidiary Boards: the Board of each Subsidiary is responsible for ensuring that the risk management structures of the Subsidiary reflect the Risk Management Policy.
- (d) Management: the Senior Executive Director and senior executives of each group company are responsible for:
 - (i) implementing the Risk Management Policy;
 - (ii) reviewing and assessing the effectiveness of the Policy on a regular basis;
 - (iii) reporting to the audit committee on major risks and action plans.
- (e) Staff: all staff have a responsibility to identify, assess, manage and report risks to management.