

RISK MANAGEMENT POLICY STATEMENT

Red 5 is committed to effectively managing risk in order to protect company assets, stakeholders, environment and reputation and ensure accomplishment of business objectives. The aim of risk management is to diminish the probability and consequence of adverse effects to tolerable levels, through an understanding of reward/risk balance. We endeavor to continuously improve in management of risk through engagement of key stakeholders.

Red 5 will strive to develop, implement and uphold sound risk management practices and systems that are consistent with best practice and that will address the objectives:

- Identification, assessment and management of risk in an effective and efficient manner;
- Provide greater certainty on objective delivery;
- Satisfy corporate governance requirements; and
- Undertake a comprehensive view of the reward to risk balance to make decisions.

In order for Red 5 to accomplish the above, the company will endeavor to:

- Implement a comprehensive risk management system;
- foster a culture of risk control and mitigation within an accepted Red 5 risk tolerance;
- emphasize risk management in our business processes and with associated stakeholders through heightened awareness;
- cultivate an environment of continuous improvement through audit and analysis processes; and
- create an appropriate risk financing program, based on risk profiles developed in the assessment process.

General Manager, Red 5 Limited

Date

