



LandMark White Limited
ABN: 50 102 320 329
ACN: 102 320 329

Level 15, 55 Clarence Street
Sydney NSW 2000
GPO Box 3359
Sydney NSW 2001
Telephone: 02 8823 6300
Facsimile: 02 8823 6399

RISK MANAGEMENT POLICY

The Board is responsible for approving and reviewing LandMark White's (LMW) Risk Management policy. The management of operational risk and the implementation of mitigation measures are the responsibility or management.

On an annual basis the Board considers the significant business risks applicable to the business and ongoing operations. Additionally, the Board considers risk profiles as part of the annual strategy and budget reviews.

To assist the Board in discharging its responsibility in relation to risk management, the Board has delegated certain activities to the Audit and Risk Committee. The responsibilities of the Committee are contained in the Committee's charter.

The Audit and Risk Committee's primary function is to assist the Board in its responsibility to exercise due care, diligence and skill in relation to the LMW Group in the areas of:

- Integrity of the LandMark White Group's financial and external reporting;
- External auditors' activities, scope and independence;
- Management processes for the identification of significant business risks and exposures and review and assess the adequacy of management information and internal control structures; and
- Whether the LandMark White Group is adequately managing risk relating to corporate governance and is maintaining appropriate controls against conflicts of interest and fraud.

The Committee plays a key role for the Board in over viewing management's application of the ASX Corporate Governance Council Guidelines in respect of Financial Reporting and Risk oversight.

1 Risk Profile & Management of Risks

LMW regards business risks as "threats to the achievement of LMW's objectives and goals and to the successful execution of its strategies".

LMW's operational risk management framework is based on the Australian/New Zealand Standard (AS/NZS 4360:1999) for risk management. Each division periodically conducts reassessments to identify and rank all significant business risks arising from current operations and new business initiatives, and to identify and implement containment measures.

The list of operational risk categories used by LMW for assessments is available to staff.

The Risk Reassessments are reported through the Chief Financial Officer to management and the Audit and Risk Committee and annually to the Board.

2 Compliance & Control / Assessment of Effectiveness

The Audit and Risk Committee has responsibility for over viewing management's processes and results in identifying, assessing and monitoring risks associated with LMW business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risks.



The risk management and internal controls systems within LMW encompass all policies, processes, practices and procedure established by management and/or the Board to provide reasonable assurance that:

- Established corporate and business strategies and objectives are achieved;
- Risk exposure is identified and adequately monitored and managed;
- Resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out the LandMark White Group's business;
- Significant financial managerial and operating information is accurate, relevant, timely and reliable; and
- There is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.



POLICY FOR THE REPORTING AND MANAGEMENT OF ISSUES, INCIDENTS, AND BREACHES

1 Objective

The objective of this policy is to ensure that all issues involving actual or potential problems are promptly documented, investigated, rectified and reported.

A problem or breach does not have to have occurred to require it to be reported. Often the appearance of a potential problem is a warning of systemic failure that may subsequently lead to a breach.

Making staff aware of this policy assists with the process of risk management within the LMW group. A copy of the Issues and Incidents Register is attached.

2 What is Included

An incident includes any known or potential:

- Accounting or financial problem
- Breach of internal control procedures
- Breach of the company constitution, group policy or corporate governance charter
- Breach of a contract
- Breach of statutory & regulatory requirements

Client Complaints Examples of these items include:

- Failure to obtain written instructions from client
- Valuation files not being subjected to peer review prior to signing
- Prospectus valuation issued without indemnity letter being obtained
- Staff trading in LMW Shares without Company Secretary approval
- Failure to pay superannuation guarantee
- Escalated disputes on valuation reports
- Required monthly reconciliations not being prepared, e.g. Bank, Debtors Reconciliations

3 Action Upon Discovery of an Incident

The incident must be documented and reported to the Chief Financial Officer (CFO) immediately. The CFO will enter the incident in the Issues and Incidents Register. The CFO will agree upon an acceptable corrective action plan and a realistic rectification date.

The CFO will immediately report to the Chief Executive Officer (CEO) all major new matters.

4 Management of Issues

The CFO is responsible for the maintenance of the Issues and Incidents Register and ensuring that all incidents are rectified by the due date. The CFO will report all overdue matters to the CEO. The Issues and Incident Register will be tabled at each Audit Committee meeting.