



LINDSAY AUSTRALIA
LIMITED

Effective from: **2019**

DocNo.

Owner:

Company Secretary

Scope: **Company Australia Limited**

Issue No: **1.0**

System:

Corporate Administration

Risk Management Policy

Lindsay Australia Limited ACN 061 642 733

Table of contents

Introduction

1. General

As an ASX listed company, Lindsay Australia Limited, together with its related parties (**Company**) is required to comply with ASX Listing Rules and relevant laws governing the manner in which it conducts its business

This document sets out the Company's policy relating to risk management. The Company is committed to identification of risks associated with performing its business activities and implementing risk management strategies to control or mitigate those risks to reasonable or acceptable levels.

2. Definitions and interpretation

Definitions In this document:

Term	Definition
Adoption Date	means the date this document was adopted by the Board.
ASX	means ASX Limited ACN 008 624 691.
Board	means the board of Directors of the Company.
Company/Group	Means Lindsay Australia Limited ACN 061 642 733 and its related parties forming part of its corporate group including Lindsay Transport Pty Ltd, Lindsay Rural Pty Ltd, Lindsay Fresh Logistics Pty Ltd.
Code/Policy	means this Risk Management Policy as outlined in this document or in any amending or replacement document.

Concepts not defined in this document but which have a meaning in relevant laws or the ASX Listing Rules have that same meaning in this document.

3. Risk policy

Risk management planning provides a framework for ongoing risk identification, measurement and review of risk management strategies. Risk management forms a key part of the Company's governance framework.

The Board of directors are responsible for determining risk management policy and risk mitigation strategies. The Board monitors the operational and financial performance of the Company against budget and other performance measures.

4. Sources of Risks

Risk management is complex and the risks to be addressed by Directors and management are varied and arise from both external and internal sources:

External risks include:

- The state of the domestic Economy, including international factors;
- The state of the industry in which the company operates, including but not limited to transport services and horticulture industries;
- Competition and status of other service providers and suppliers;
- The legal and regulatory environment;
- Utilities and service delivery;
- Natural disaster management, climate and weather-related issues

Internal risks include:

- Corporate Governance compliance;
- Legal compliance including Chain of responsibility, Workplace health and safety laws, Corporations Act, Tax laws and ASX Listing Rules;
- Contract compliance and dispute resolution;
- Strategy development and planning framework;
- Business Continuity;
- Quality and experience of management team;
- Capacity of existing resources and systems;
- Adopting of technology;
- Reporting processes and systems

Operations:

- Suitability and age of buildings, Depots and infrastructure;

- Asset management and protection (Insurance)
- Public and product liability;
- Technology issues including equipment;
- Facility maintenance and repair;
- Supply chain management and reliance on key supplies and contractors;
- EPA/Environmental issues

Financial:

- Generation and retention of profit margins and revenue streams;
- Quality of accounting policies and procedures;
- Attaining or meeting measures or indicators of performance and covenants
- Internal controls to ensure security of information and assets;
- Available of funding facilities and pricing for current and future requirements.

Human Resources:

- Competency of, and dependency on, staff;
- Retention and recruitment of suitable staff;
- Discrimination and Harassment laws;
- Workcover incidents and claims;
- WH&S issues;
- Performance Management;
- Industrial disputation/awards.

Innovation:

- Market development and diversification;
- Intellectual property protection;
- Missed opportunities for revenue generation and retention.

5. Risk Management Framework

Risk management strategies are implemented by the company based on identification and assessment of risk and available options.

Risk management strategies include:

- Ceasing the activity being undertaken;
- Transferring the risk to another party (insurance, outsourcing)
- Minimizing the risk by introducing appropriate controls, policies, procedures, sop's training
- Identifying and treating risks through the incident reporting system and formal risk assessments;
- Adopting technologies and systems that minimize or mitigate risks;
- Regular reporting processes through management and the board on business and risk related matters.
- Board and management roles and responsibilities are documented, committee and Board charters are in place;
- Material expenditure and budget is approved by the board;
- Undertaking the formal processes of the audit and risk committee and ensuring financial accounts are audited in accordance with legal requirements;
- Credit management processes;
- Enforcement of existing policies and procedures including continuous disclosure obligations;
- The entering into written contracts for major services and suppliers;
- The maintenance and annual renewal of insurance policies including but not limited to general insurance for company assets, workers compensation insurance, public liability, professional indemnity, Directors and Officers.
- Offsite and back-up hardware and processes for the company's IT systems and services;
- Ongoing investment in software, assets, human resources, training and reporting to support safe operations in the conduct of our business;
- Processes are in place to minimise environmental impact of operations including the

risk associated with hazardous substances;

- Conducting regular desktop and operational audits (either internal or through external providers). Processes and engagement to support or retain certifications and accreditations;
- Engagement with external experts, consultants and advisers on matters as required so as to minimise associated risks (including strategic, remuneration, recruitment, construction/project consultants, legal, accounting and tax service providers);
- Promote the company's values and culture which supports risk management;
- Accepting risks where no further reasonable action can be taken.

6. Policy Approval and Review

The board will review the adequacy and effectiveness of the Company's risk management framework to confirm all major risks are identified and adequately managed.