

PENRICE SODA HOLDINGS LIMITED

Risk Policy

Rationale

Risk influences every aspect of Penrice Soda Holdings Group (Penrice) business. Understanding the risks we face and managing them appropriately will enhance our ability to make better decisions, deliver on objectives and subsequently improve performance.

Penrice views the management of risks to its people, assets and all aspects of its operations as a fundamental responsibility. It is committed to upholding its corporate and legal obligations by implementing and maintaining a level of risk management that protects and supports these responsibilities. Penrice will instill a culture of risk management throughout the organisation by ensuring that it is a top priority in all day-to-day operations and investment decisions, by the actions of the Chief Executive Officer and other Senior Managers in reinforcing its importance and by incorporating it into the personal objectives and each employee.

Objective

Penrice's objective is to apply quality practice principles in identifying, assessing and managing risk. Penrice will:

- take informed and considered risks
- take a strategic and consistent approach to managing risk across Penrice through the introduction of a risk management framework and associated activities that will assist in the creation and protection of value

Policy

To realise our risk management objective, Penrice will:

- identify and assess risks to our business objectives and understand how such risks influence performance
- ensure that an appropriate risk management framework is in place, that it is aligned to our business strategy and that it evolves with our business
- support the framework and strategy with an appropriate organisational structure and ensure that associated responsibilities are clearly defined and communicated at all levels
- ensure that risk information is communicated through a clear and robust reporting structure
- integrate ongoing risk management activities within the business
- undertake continuous review through consultation with stakeholders

The proper administration of this policy will contribute to sustaining value for stakeholders, including employees.

Scope

This policy is applicable to all areas of Penrice operations without exclusion and all Penrice personnel and associates.

We recognize that risk management is a process that extends to our business partners, contractors, visitors and other stakeholders. Whilst it is difficult to enforce our risk management principles on our suppliers, customers and other stakeholders, we will always seek to influence their activities where possible.

Programs

Risk management programs will exist to address both corporate governance and financial/operational risk management issues. These are outlined in Penrice's Risk Management Guide.

Responsibility

The Penrice Board

The Penrice Board is ultimately responsible for risk management in Penrice and for communicating the requirements of this policy.

The Penrice Board must satisfy itself that significant risks faced by the Group are being managed appropriately and that the system of risk management within Penrice is robust enough to respond to changes in our business environment. The Penrice Board will also ensure that there is an appropriate organisation and reporting structure in place to support the delivery of this policy on an ongoing basis. The Penrice Board will, amongst other things, rely on assessments and reports of the Audit and Risk Management Committee in discharging these responsibilities.

The Audit and Risk (A&R) Management Committee

The A&R Committee is responsible for the oversight of the continuous development of risk management policy in Penrice and for reviewing the implementation of risk management in compliance with the principles established. The Committee reviews the adequacy and effectiveness of risk management at Penrice, reviews and approves internal and external audit plans and monitors risk reporting. The Committee will provide regular reports to the Board on its activities in monitoring the risk management framework and will make recommendations on amendments and improvements to the system of risk management.

The Chief Executive Officer (CEO)

The CEO is responsible for overall risk management leadership, policy and program implementation. The CFO will support the CEO in discharging these responsibilities and is responsible for providing appropriate risk management resources to guide and support all Penrice personnel in maintaining the risk management framework and the risk register. The CFO is also responsible for coordinating the regular reporting to the A&R Committee.

Management

Senior Managers and the Chief Financial Officer are responsible for the implementation of the risk management process across their respective groups. This includes identifying and evaluating risks within their area of responsibility, implementing agreed actions to manage risks, reporting any activity or circumstances that may give rise to new or changed risks and monitoring the effectiveness of mitigation strategies. Senior Managers are also responsible for communicating the intent of the risk management policy and all other related policies to all staff under their control, and for ensuring their staff actively participate in the identification and management of risk.

Employees

All employees have a general duty of care and are responsible for complying with requests from management in connection with the application of this policy. Through appropriate preventative action, all reasonable care should be taken to prevent loss and to make sure that IPG operations, reputation and assets are not adversely affected.



STEPHEN BUSHAWAY

Acting Chief Executive Officer