RISK MANAGEMENT POLICY

SOUTHERN CROSS AUSTEREO
absolutely engaging

1. PURPOSE

Southern Cross Media Group Limited (**Company**) views risk management as a continual process integral to achieving its corporate objectives, effectively managing assets and optimising shareholder value. The Company acknowledges that risk is inherent in its business and that risk management is fundamental to the enhancement of investor value and the achievement of the business and financial goals of the Company.

The policy outlines the key elements of the Company's risk management framework which is used to identify, analyse, manage and monitor risk.

2. RISK MANAGEMENT FRAMEWORK

The identification and proper management of risk within the Company is an important priority of the Board, the Audit and Risk Committee and the Executive Leadership Team. In developing a culture of risk management, each director or executive is responsible for appropriate responses to manage risk.

To enable this, the Company:

- has implemented a systematic framework to assist in the identification, assessment, treatment and monitoring of organisational risks that may impact on the achievement of corporate goals and reputation

- considers and manages risk as part of key business processes including planning and budgeting, investment appraisal, monitoring and reporting, and internal controls

- provides the necessary tools and resources to management and staff to support the effective management of risks.

The Company optimises its ability to achieve business objectives by maintaining a system of internal controls that assists management and provides an early warning of risks. Although no system of internal control can provide absolute assurance that risks will be fully mitigated, these systems are designed to ensure key risks are explicitly addressed and reduced to an acceptable level.

3. ROLES AND RESPONSIBILITIES

The Board is responsible for reviewing, ratifying and monitoring the systems of risk management and internal control, reporting systems and compliance frameworks that have been developed and implemented by management and addressing specific issues as escalated by the Audit & Risk Committee or management.

The Board has delegated to the Audit & Risk Committee responsibility for overseeing the effectiveness of the risk management framework and any matters of significance affecting the Company's financial reporting and internal controls. As appropriate, the Audit & Risk Committee will table matters to the Board for its review or approval.

The Executive Leadership Team is responsible for management of risk and reporting to the Audit & Risk Committee in accordance with this policy. The CEO will have primary

responsibility for ensuring compliance with this policy and ensuring that the Board is informed of significant matters, as appropriate.

4. **REVIEW**

The Audit & Risk Committee will review this policy annually to ensure that it remains relevant and appropriate to the Company. Any changes identified by the Audit & Risk Committee will be recommended to the Board for approval.