

Last amendment date

June 2017

Risk Management Policy

Purpose of Policy

The purpose of risk management in Trade Me is to:

1. Identify and manage both existing and new risks in a planned and coordinated manner with the minimum of disruption and cost.
2. Develop a "risk aware" culture that encourages all staff to identify risks and associated opportunities and to respond to them effectively.

Policy Content

3. Trade Me will proactively identify, record and manage its risks. This means risks will be prevented or detected at a time when their impact is lesser and where impact can typically be remedied more quickly and at lower cost.
4. Managing risk effectively will also:
 - Support the achievement of strategic objectives
 - Allow greater risks to be taken
 - Help encourage innovation (and risk taking)
 - Reduce the chance of serious errors and inefficiencies.

Risk Management is not limited to financial risks, but all kinds of risks, including risk to Trade Me's reputation.

5. Risk assessment will be a major consideration in planning and budgeting processes at all levels in Trade Me. Risks must be considered and documented as part of the justification for all new business cases, investments and capital projects.

Risk Attitude

6. Trade Me has a culture of openness that encourages staff to quickly identify risks and to respond appropriately.
7. The Board encourages the taking of controlled risks, the grasping of new opportunities and the use of innovative approaches to further the interests of the company, provided the resultant exposures are both legal and acceptable.
8. Trade Me does not have an internal audit function. The Board's Audit & Risk Management Committee considers at regular intervals both the appropriateness of that approach, and the role of independent quality assurance projects in risk management.

Processes

9. Trade Me will maintain appropriate records of the risks identified, and controls for those risks. Unless the Board requires otherwise the company will keep a comprehensive Risk Register, updated regularly, and a register of Key Risks which are viewed as the most significant strategic and operational risks for the business.
10. The process for identification, management, monitoring and review of the risks recorded in the comprehensive and Key Risk registers, is set out in the Risk Management Framework and will be reviewed by the Board at intervals (as recommended by the Audit & Risk Management Committee).
11. Acceptability of Key Risks will generally be determined in accordance with the company's Impact and Probability matrix, which takes account of controls in place for each risk - although that matrix will have a degree of subjectivity and is not solely determinative.

Roles and Responsibilities

12. Senior managers are accountable for risk management in their specific areas, but responsibility for good risk management rests with all staff.
13. At least one member of the Executive team is accountable for monitoring and management of each risk identified as a Key Risk.