

Last review date	Last amendment date
December 2017	February 2018

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.

Objectives

3. The key objectives of this policy are to ensure that
 - All Trade Me people are aware of their responsibility to manage risk;
 - A risk management framework is in place that:
 - ensures the Board sets the risk appetite and reviews Key Risks;
 - Allows the CEO and Executive discretion to determine the approach to management of risk, within the guidance provided in the framework.
 - builds risk management into Trade Me's processes and procedures.
 - 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.
 - 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 encompasses all kinds of risks, including strategic risks, operational risks (including people health & safety), financial risks, legal and regulatory risks; cyber and security risks.

- Risk assessment is 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

4. Trade Me has a culture of openness that encourages staff to quickly identify risks and to respond appropriately.
5. 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.
6. 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

7. 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.
8. 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 least annually (as recommended by the Audit & Risk Management Committee).
9. 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.
10. Management will provide a confirmation annually to the Audit & Risk Management Committee, of compliance with the Risk Management Framework.

Roles and Responsibilities

11. The Board:
 - Approves this policy and the risk management framework (on the recommendation of the Audit & Risk Management Committee);
 - Sets the risk attitude;
 - Considers relevant Key risks and controls on those risks, in any transaction or venture brought to the Board; and Reviews the assessment of Key risks formally, at least annually.

The Audit & Risk Management Committee:

- Reviews the risk management framework and the process for identification, management monitoring and review of risks, at least every 2 years;
- recommends to the Board the frequency of review of Key Risks.

CEO:

- Promotes a risk management culture, aligned with the Board's risk attitude;
- Reviews Key risks formally and reports to the Board on the changes to the rating of those risks;

- Monitors the controls and the mitigation of Key risks by responsible Executives;
- Confirms to the Audit & Risk Management Committee annually that the business has complied with the Risk Management Framework.

Legal Counsel:

- Identifies any legal risk associated with a particular course of action, in accordance with the company's decision-making framework;
- Participates in the design of controls on those risks.

Executives:

- Ensure the operations within their areas of responsibility take account of risks including the risks identified by Legal Counsel;
- Review Key risks formally and work with the CEO on the changes to the rating of those risks;
- Ensure that decisions are made taking specific risks into account, and that controls are in place for those risks.

All Trade Me people:

- Identify, report and appropriately manage the risks in their work and, where practicable, in the work of others.