

NZME RISK MANAGEMENT POLICY

NZME Limited (**NZME**) is committed to the consistent, proactive and effective monitoring and management of risk throughout the organisation, in accordance with best practise and the NZME Risk Management Framework and Guidelines.

Risk management is fundamental to the enhancement of shareholder value and the implementation of the strategic, operational and financial objectives of NZME.

This document sets out the risk management policy of NZME, which has the objective of facilitating a consistent approach to risk management and the reporting of risk across NZME.

The Risk Management Policy forms part of the NZME Risk Management Framework and Guidelines, and applies to all employees and contractors.

Other resources

1. NZME Risk Management Framework and Guidelines
2. NZME Assessing Business Opportunities Framework

Document Control Information

Owner	NZME Chief Executive Officer	Status	Final
Version	1.0	Date	August 2016
Approved By	NZME Board	Review Date	Every three years
Approved Date	23 August 2016		

1. Risk Management Principles

Based on the principles of risk management as per standard AS/NZS ISO 31000:2009 – Risk Management, risk management should:

- Create and protect value;
- Be an integral part of NZME's processes;
- Facilitate decision making;
- Explicitly address uncertainty;
- Be systematic and structured (where necessary);
- Be based on the best available information;
- Be tailored to the requirements of NZME;
- Take human and cultural factors into account;
- Be transparent, inclusive and dynamic;
- Facilitate continual improvement.

2. NZME's Risk Management Framework

NZME's Risk Management Framework outlines NZME's risk management processes to be applied to all risk assessments, the roles and responsibilities of key stakeholders, documentation and reporting requirements.

3. Roles & Responsibilities

NZME Board

Ultimately responsible for the effectiveness, oversight and implementation of the NZME's approach to risk management.

Audit and Risk Committee

Responsible for the oversight and independent review of NZME's Risk Management Framework, and assisting the Board to discharge its oversight responsibility for risk management.

NZME CEO

Responsible to the Board for:

- The management of strategic, operational and financial risk of NZME;
- Continually monitoring NZME's progress against financial and operational performance targets;
- The day-to-day identification, assessment and management of risks applicable to NZME;
- Implementation of risk management controls, processes and policies and procedures appropriate for NZME;
- Driving a culture of risk management throughout NZME.

NZME Risk Committee

Acts as a governance forum to assist the NZME Chief Executive Officer (CEO) and the Group Executive in fulfilling their corporate governance responsibilities.

Provides assurance to the CEO and appropriate regulators within New Zealand that the following aspects are managed appropriately:

- Strategic and Operational Risk Management;
- Work, Health and Safety matters;
- Legal, regulatory and policy compliance;
- Technology and Security matters;
- Business Continuity Planning.

NZME Risk & Compliance Manager

Responsible for providing guidance where required and developing tools, templates and policies that facilitate the identification, management and reporting of risk and support the overall Risk Management Framework.

4. Risk Profile

NZME is a diversified media company and is subject to diverse types of risk including, but not limited to:

- Legal and regulatory compliance;
- Financial and market;
- Government policy and political;
- Reputation and brand;
- Operational risk;
- Trading conditions.

5. Risk Appetite

Risk appetite is defined as the level of risk NZME is willing to accept, within the constraints of the NZME Risk Appetite, to achieve its organisational objectives.

NZME's risk appetite influences and guides decision making, clarifies strategic intent and ensures choices align with the capabilities of NZME.

NZME recognises that in order to achieve its strategic objectives it must be willing to take and accept informed risks. Risks relating to innovation, attracting and retaining talent, and content to drive audiences and address the needs of advertisers are encouraged within defined parameters. However in doing so, it is not acceptable to trade off financial or strategic returns by compromising compliance with the law, the safety of our people, or our reputation as a responsible corporate citizen and provider of news, sport and entertainment.

When setting the appetite for taking and accepting risk, NZME also considers the risk posed by inaction in what is a fast-paced and disrupted market.

6. Assessment of effectiveness

NZME's approach to risk management is assessed at least annually by the Audit and Risk Committee of the NZME Board in order to make a recommendation to the full NZME Board on the appropriateness of NZME's Risk Management Framework

The NZME Risk and Compliance Manager will report to the NZME Risk Committee and Audit and Risk Committee on progress of the implementation of the Risk Management Framework.

7. Risk Management Policy review and approval

The Risk Management Policy will be reviewed formally every three years and approved by the Board.

The Audit and Risk Committee may make recommendations to the Board to amend the Policy, should such recommendations arise from the annual assessment of the Risk Management Framework.