



## **RISK MANAGEMENT POLICY**

Release 1  
Approved by the Board 24 June 2009

## RISK MANAGEMENT POLICY

### A. INTRODUCTION

This document applies to Wotif.com Holdings Limited (**WTF**) and its subsidiaries (collectively referred to as the **Wotif Group** or **Company**).

The Wotif Group's risk management philosophy is to manage risks in a balanced way recognising that risk management is an integral part of good management and corporate governance practice.

The Wotif Group's policy recognises that an element of risk is inevitable when operating a diverse and innovative business and that an appetite for risk should, in appropriate cases, be encouraged. The Wotif Group seeks to maintain an acceptable balance between risk and return to maximise long-term value for shareholders.

The Wotif Group is committed to a risk management system that provides a solid framework for and fosters a culture of innovation. The Wotif Group's risk management system aligns with the Company's vision, strategy, processes, people, culture, technology and governance.

The Wotif Group approaches risk management at a whole-of-company level. The overseeing and internal controls described in this Policy are integrated with the activities of each part of the Wotif Group.

### B. STATEMENT OF AIMS AND OBJECTIVES

The Wotif Group is committed to:

- achieving its objectives of innovation, long-term growth and value creation by appropriately balancing risk and reward;
- respecting and safeguarding the legitimate interests of its stakeholders (including shareholders, employees, customers, suppliers and the broader community).

The Wotif Group's risk management system:

- enables the Wotif Group to operate efficiently and pursue opportunities from a confident foundation without being deterred by uncertainties;
- provides for a consistent and transparent approach to identifying, analysing, mitigating, monitoring and reporting on risks;
- prioritises response to risks that may have a material adverse impact on the performance and strategic objectives of the Wotif Group;
- enables reliable financial reporting and compliance with laws; and
- aligns with our culture and values.

## C. THE WOTIF GROUP'S RISK MANAGEMENT PROCESS

The Wotif Group's risk management process is integrated within the Wotif Group's business continuity framework. This process is regularly reviewed by senior management and is based around the following key activities:

- **Identification:** Identifying and defining the foreseeable risks associated with the Wotif Group's operations and strategies, using an agreed risk methodology;
- **Rating:** Developing response treatments and mitigation plans for each of the priority risks; and
- **Monitoring and reporting:** Internal review and reporting of risk management updates and incidents.

The **managed risks** addressed by this process include:

- operations;
- human resources;
- information technology and intellectual property;
- product management and growth;
- marketing and brand
- finance and treasury;
- strategic;
- reputational;
- legal; and
- market-related risks.

## D. RESPONSIBILITIES

The **Board** has ultimate responsibility for overseeing the Wotif Group's systems of risk identification, control and management. The Board will review the risk management policy and framework on a regular basis and will satisfy itself that management has in place appropriate systems for managing risk and maintaining internal control. Consideration of risk always forms part of the Board's strategic decision-making processes.

The **Audit and Risk Committee** has responsibility for the direct review of risk management delegated to it by the Board. The Committee oversees monitoring or risks, risk management and compliance undertaken by management. In consultation with the CEO and senior management, the Committee will regularly review the effectiveness of the Company's risk management system and reports its findings to the Board. Further details of the role of the Audit and Risk Committee are set out in its Charter.

The **Executive Management Team** has responsibility for establishing, documenting and implementing the risk management systems and internal controls within the Wotif Group. A key element of this process is direct and ongoing management of the risk management framework. Updates and incidents are reported on throughout the year by senior management to the Audit and Risk Committee. The management team is also integral in identifying the day-to-day risks in the Wotif Group's operations and activities

and communicating control measures to staff to foster a culture of risk awareness and accountability. Senior management is required to provide an assurance to the Board on an annual basis that management has effectively identified and addressed the material risks relevant to the Wotif Group.

## **E. REVIEW**

This Policy and the Wotif Group's risk management framework will be reviewed at least annually by the Executive Management Team, the Audit and Risk Committee and the Board to review their effectiveness and to ensure their continued application and relevance.