

.risk management **policy**

Updated 16 June 2016

.the way we work .the way we relate .the way we serve .the way we learn .the way we play .the way we grow
.the way we inspire .the way we succeed .the way we lead .the way we work .the way we relate .the way we serve
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.the way we learn .the way we play .the way we grow **.the way of life**



1.0 Purpose

The purpose of this Policy is to set out the requirements of the Board and Management of Vita Group with regard to Risk Management, and to communicate these requirements to all those involved in meeting them.

2.0 Scope

This policy applies to the whole of Vita Group and covers all areas of risk including but not limited to:

- Strategic risks;
- Maintaining a safe work environment for Vita Group employees and customers;
- The safeguarding and maintenance of assets;
- Management of human resources;
- Management of technology and information resources;
- Compliance with environmental obligations;
- Achieving established objectives and goals;
- Managing relations with Key Partners;
- Financial Risks;
- The reliability and integrity of financial and operational information;
- Compliance with internal policies and procedures;
- Compliance with laws and regulations;
- Changes in Vita Group's internal and external environments; and
- Managing the business for 'business interruption and natural disaster' events.

3.0 Policy

3.1 Objective

Vita Group's business activities present a range of risks that cannot be eliminated but can be managed. Our objective is to strive to balance the risks and rewards in conducting business to optimise returns – in accordance with our goals of delivering shareholder value, and our commitments to customers, employees, and other people and organisations with an interest in Vita Group.

3.2 Responsibility

The Board is responsible for overseeing the establishment and implementation by management of risk management systems, and reviewing the effectiveness of these systems. The board has assigned responsibility to the following:

Audit, Compliance & Risk Committee – reviews and reports to the Board in relation to the company's financial reporting, internal control structure, risk management systems, and the internal and external audit functions.

Management – responsible for identifying, managing, and reporting to the Board on risks in accordance with the policy, through a formal organisation-wide risk management framework.

Assurance Team – responsible for providing independent assurance about the effectiveness of processes to manage internal control and risk in accordance with an agreed annual plan, which may be refined as necessary.

3.3 Risk Tolerance

Vita Group is partnered with one major supplier Telstra and is subject to the Terms and Conditions agreed with this supplier.

Within those Terms & Conditions Vita Group aims to minimise risk to customers and Shareholders and provide optimum returns to Shareholders, through staff training, careful selection of store locations, and appropriate staffing and fitout of stores, backed up by the Assurance Team.

3.4 Strategic Plan

The management of risk is integral to the development of our Strategic Plan and Annual Budget, both of which are designed to maintain risk mitigation strategies and keep Vita Group operating within the risk tolerance guidelines established by the Board.

3.5 Performance

Management of risk mitigation strategies forms part of the Key Performance Objectives (KPOs) of managers at all levels. Performance against KPOs is evaluated six monthly, and is taken into account in any salary movements.

3.6 External Audit

An independent, external audit is performed on the half-year and annual financial reports of Vita Group. This provides reasonable assurance as to whether the financial reports are free of material misstatement and provides an independent opinion on whether the financial reports are presented fairly in accordance with accounting standards and other applicable professional reporting requirements.

3.7 Written Statement from CEO and CFO

In accordance with section 295A of the Corporations Act, the chief executive officer and chief financial officer are required to state in writing to the Board each reporting period that:

- the reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The statements from the chief executive officer and chief financial officer are based on formal sign off procedures reviewed by the Audit, Compliance & Risk Committee as part of the annual financial reporting process.

4.0 Review of Policy

This Policy will be reviewed by the Board annually and revised as required.