

Risk Management Policy

The effective management of risk is a strategic and operational imperative in world class project development in the mining industry.

Management is responsible for efficient and effective risk management across the company. This includes implementing procedures that address risk identification and control, and the reporting of risks.

Bougainville Copper Limited **[BCL]** will:

- Integrate risk management in all facets of daily activities,
- Apply a risk management framework in managing risks in decision making,
- Ensure that all material risks are identified and objectively assessed and classified against accepted criteria and that effective control measures are implemented and maintained to mitigate risks,
- Identify and analyse opportunities, as well as risks,
- Implement effective financing strategies, including insurance as a means of managing residual risk,

Effective risk management will:

- Create and embed a culture of embracing risk management and mitigation,
- Avoid unacceptable and enterprise threatening outcomes,
- Provide openness and transparency in decision-making and ongoing management processes,
- Provide a better understanding of risks,
- Comprise an effective reporting framework for meeting corporate governance requirements,
- Provide management and the Board with comfort that the risks confronting BCL are being assessed and managed effectively,
- Ensure that the management of risk is integrated into the development of strategic and business plans.

The Board will:

- Encourage management to foster a culture of risk awareness and the development and monitoring of processes that enhance the management of risk,
- Require management to effectively integrate the consideration and management of risk into decision making and complementary processes including audit, compliance, business continuity management, disaster recovery and crisis management, insurable risk management and strategic planning.

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- Participate in identification and mitigation of risk through formal risk assessments, Board meetings and Audit and Risk Committee meetings

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