

Risk management report

Michael Hill International Limited is committed to the management of risk throughout its operations in order to protect our employees, assets, earnings and reputation.

RISK MANAGEMENT PROCESS

The Board of Directors is responsible for Risk Management. The Risk Management process involves the annual review and approval of a strategic plan incorporating assessment of opportunities and risks associated with these opportunities.

These strategic plans are reviewed and discussed at each board meeting to ensure risks associated with the approved plans and projects are reviewed and managed.

A formal risk management workshop by the company's Group Executives is held each year to review and update the Risk Register which is included in the Audit Sub-Committee agenda.

BUSINESS CONTINUITY PLAN

The Group has an existing Business Continuity Plan which is reviewed each year and updated accordingly.

INSURANCE PROGRAM

The Group has a comprehensive global insurance program which supports the risk management process. This program is reviewed annually to ensure it reflects the groups' exposures and risk profile.

INTERNAL AUDIT

The Group has an Internal Audit function that is responsible for the development of a comprehensive continuous audit program and for performing internal audit reviews which support the Group's Risk Management process. The Internal Audit Manager has a direct communication line to the Board Audit Sub-Committee should they deem it necessary to report any matter to the Sub-Committee directly. The Internal Audit Manager attends the Audit Sub-Committee meetings where they present their report.

CODE OF ETHICS

Our Board of Directors believes that good risk management is supported by the highest standards of corporate behavior towards our employees, customers and other stakeholders. The Code of Ethics is a guide to help our Directors and employees live up to high ethical standards and responsibilities towards our fellow employees, customers and other stakeholders.