



## Risk Management – Executive Report to the Board

25 October 2013

The risk management section of the Gowing Bros Limited Corporate Governance Statement reads as follows:

The Board is responsible for the oversight of the Company's risk management and control framework. The Managing Director is ultimately responsible to the Board for risk management and the control framework.

The Company's objectives in relation to risk management are to improve business performance, manage exposures and create value through making informed and conscious risk management choices on a Company-wide basis.

Each investment made by the Company is subject to thorough due diligence analysis and investment decisions are made on the basis of an appropriate risk return profile.

Regular management meetings are held to monitor all major investments and assess whether each major investment continues to meet the overall investment strategy and criteria of the Company.

The executive management of the company believes that the risk management structure and processes in place appropriately address the needs of the company with regard to identifying and evaluating risks and enabling decisions on responses to be made at the executive or board level as appropriate.

The system is constantly under review by the Managing Director and the general manager. The main purpose of the review was to determine whether the normal risk reporting process brought forward all matters which should be reported and identify improvement opportunities for the existing risk reporting system.

In summary, the review concluded that the risk management system and related procedures in place function well in identifying and managing business risks. However, some opportunities for improvement were identified including regular walkthrough of the Company's Shopping Centres and central training for the Company risk management affairs. We also need to work more closely with the company's insurers to make sure that both our interests are aligned.

**John Gowing**  
Managing Director

**Garth Grundy**  
Chief Operating Officer