

# Financial management policy

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Keybridge Capital Limited

ACN 088 267 190 (**Company**)

# Financial management policy

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## Hedging of financial risks

1. All interest rate hedging in relation to Keybridge Capital Limited (the Company) debt facilities are to be:
  - Approved by any two of the Managing Director, Financial Controller or Chairman in advance of executing the interest rate hedge
  - Matched, whenever practical, on each date during the interest rate hedging transaction, with a like amount of debt maturing on that date

In relation to foreign currency exposure, the Company has arranged multi-currency corporate borrowings which partially hedge currency risk.

## Relationship with bankers

2. The Company at all times will adopt an open relationship with banks. The relationships should be such that, to the extent the Company or a subsidiary has a banking related requirement, this need can be managed adequately.

As part of its agreements with lending institutions, the Company has entered into various agreements which impose obligations on the Company, including maintenance of financial covenants. Management must monitor compliance with the undertakings imposed by the Company's lenders and ensure they are not breached.

## Surplus cash

3. Surplus cash invested is to receive an adequate return at all times. Surplus cash can be invested in, or applied towards:
  - Loan repayments to the Company's banks as part of the cash sweep arrangement;
  - Cash Deposit Accounts with banks or other financial institutions; or
  - Bank Bills.

## Insurance

4. The Company is to have appropriate insurances in place at all times. These insurances are to include, but are not limited to:
  - Coverage for all directors and officers of the Company for functions performed in the normal course of business in their role with the Company and its wholly owned subsidiaries;
  - Coverage for the company's assets where appropriate; and
  - Workers' compensation.

## Liquidity

5. The liquidity position of the Company and its wholly-owned subsidiaries is to be monitored and cashflow forecasts maintained for a minimum forecast period of 12 months. This forecast will be monitored for asset sale requirements. Management information systems should be timely and sufficient in their content, format and frequency to prudently manage the liquidity of the Group. The Company will endeavour, at all times, to maintain liquidity of around \$2 million in available cash. The Company may not have undrawn committed debt facilities.

## Contingent commitments

6. The Group's contingent commitments are to be monitored, incorporated in cash flow forecasts as appropriate, and assessed for potential realisation and accounted for accordingly.

## Taxation

7. The taxes payable by the Company and its wholly-owned subsidiaries (including income tax, GST and stamp duties) are to be managed within the law to deliver optimal outcomes for shareholders.

## Financial outlook

8. The financial performance of the Company is to be monitored against a 12-Month Budget and a 3 Year Outlook, whichever is considered appropriate in the current economic and financial environment. Both the budget and outlook are to be presented to the Board prior to 30 June each year.

## Compliance

It is the accountability of management to apply this Policy at all times and to bring any exceptions to this Policy to the attention of the Board. Reporting to the AFRC or Board on this Policy will be as follows:

- Management will report to the AFRC meeting in May of each year on overall compliance with the Policy;
- Management will report to the AFRC immediately any breach of the Company's agreements with lenders.
- A 12 month cashflow forecast for the Company and its wholly-owned subsidiaries will be presented by management to each AFRC meeting;
- Any breaches of Policy will be reported to the Board meeting immediately following the breach; and
- Updated Budget and Outlook will be presented to the AFRC meeting immediately prior to 30 June each year.

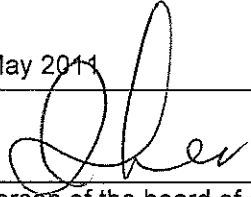
## Approved and adopted

This financial management policy was reviewed and adopted by the board effective 27 May 2011.

Date

27 May 2011

Signed

  
Chairperson of the board of directors  
of Keybridge Capital Limited