DuluxGroup Limited
(ABN 42 133 404 065)

Risk Management Policy

1. Purpose

To outline DuluxGroup Limited's (DuluxGroup or the Group) approach to risk management.

2. Scope

This Policy and the Risk Management Framework apply to all subsidiaries which DuluxGroup controls, joint ventures where the Group has management control, all business units, functional areas, employees and contractors.

Any questions regarding this Policy or the Risk Management Framework should be directed to the Group Risk Manager.

3. Principles

Business risks, both internal and external to your business, can have a negative impact on the operations or value of the business.

Risk Management assists in preventing, detecting and mitigating business risk. It is an essential element of DuluxGroup's corporate governance and strategy development. The importance of risk management practices is recognised across all businesses and operations.

DuluxGroup continuously strives to foster a high awareness of business risks and internal controls in all decision making, geared towards preserving risk appetite and providing transparency in operations.

DuluxGroup aims for a consistent organisation-wide approach to managing risk by maintaining a Risk Management Framework that provides a transparent approach to managing risk across the Group. A structured and systematic risk assessment process is used with the core components, aligned to the ISO31000 standard, as follows:

a) *establishing the context* by understanding the environment the Group operates in;

b) having a comprehensive structured *risk identification* and assessment process identifying material financial and non-financial business risks and developing an understanding of the risks;

c) a decision making process based on the outcomes of the *risk analysis and evaluation*;

d) planned management actions to mitigate or eliminate risk through the establishment of mitigation plans for *risk treatment* including reviewing the risk profile and treatment plans on an ongoing basis to ensure the risks reflect the prevailing circumstances;

e) keeping a risk register to *monitor and review* all risks identified across businesses, operations, functions and projects; and

f)   ensuring clear ***communication and consultation*** across the Group including regular reporting to management, the Board and its Committees of the key risks and their management.

4. Responsibilities

The Board provides oversight of the management of material business risks and internal controls. The design and implementation of the risk management and internal control systems is the responsibility of management.

The Board, through its Committees satisfies itself that management has developed and implemented a sound system of risk management and internal control.

All employees and contractors of the Group are responsible for ensuring risk management forms a part of their corporate governance obligations. Any real or potential significant risk must be reported through established reporting lines to management.

The Managing Director & CEO and Chief Financial Officer will periodically provide a report to the Board that the risk management and internal control systems have been designed and implemented to manage the Group's material business risks, and management has reported to the Board as to the effectiveness of the Group's management of its material business risks.

The role of Group Risk is to inform the Board and its Committees, where appropriate, of the ongoing risk management and internal audit programs.

Group Risk may use independent external advisers to assist in monitoring compliance with internal controls and risk management programs, reviewing the effectiveness of risk management and internal control systems, and periodically providing assistance with risk assessments.

5. Application

This Policy is effected through the application of the Risk Management Framework and is reviewed annually by the Board and Audit & Risk Committee.