

**APN NEWS & MEDIA LIMITED (“APN”)  
RISK MANAGEMENT POLICY**

<p><b>Introduction and purpose</b></p>	<p>APN and its subsidiaries (the “<b>APN Group</b>”) is committed to the consistent, proactive and effective monitoring and management of risk throughout each of its business divisions and the APN Group as a whole.</p> <p>Risk management is fundamental to the enhancement of shareholder value and the implementation of the business and financial objectives of the APN Group.</p> <p>This document sets out the risk management policy of the APN Group adopted by the Board of APN News &amp; Media Limited (“<b>Board</b>”).</p>
<p><b>Approach</b></p>	<p>The approach of the APN Group to risk management is based on:</p> <ul style="list-style-type: none"> <li>▪ ensuring that each of its business divisions and the APN Group as a whole: <ul style="list-style-type: none"> <li>➢ identify actual and potential risks which would have a material impact on the APN Group;</li> <li>➢ assess their impact on business and financial objectives of the APN Group; and</li> <li>➢ implement effective and appropriate strategies and actions to address risk issues; and</li> </ul> </li> <li>▪ clearly identifying responsibility and accountability for financial, operational and risk management issues; and</li> <li>▪ the continued review and assessment of the APN Group’s approach to risk management.</li> </ul> <p>The Board has determined that the APN Group’s risk management methodology and assessment of risk should consider the materiality of all risks from an APN Group perspective. This assessment requires identification of:</p> <ul style="list-style-type: none"> <li>▪ the likelihood of an event occurring; and</li> <li>▪ the potential consequences for the APN Group and their magnitude.</li> </ul> <p>This assessment, combined with a qualitative and quantitative approach to the analysis of the potential consequences, provides the basis for the APN Group’s approach to risk and the developing of effective and appropriate strategies and actions to address these risks.</p> <p>The independent review process and the reporting lines (referred to in the attached chart) ensure that where significant risks arise they are identified and addressed in a timely and effective manner at the appropriate level within the APN Group.</p> <p>APN’s Risk Management framework consists of:</p> <ul style="list-style-type: none"> <li>- a risk management process based on AS/NZS 4360:2004;</li> <li>- methodologies for incorporating risk management into business planning, investment analysis, project management and operational activities;</li> <li>- tools that assist managers to continuously maintain risk registers and perform risk assessments;</li> <li>- regular and independent review of the effectiveness of risk mitigations; and</li> <li>- regular reporting on the status of risks to senior management and bi-annual reporting to the Audit Committee.</li> </ul>
<p><b>Roles &amp; Responsibility</b></p>	<p>Ultimate responsibility for the effectiveness, oversight and implementation of the APN Group’s approach to risk management resides with the Board. The Board has structured the implementation and oversight of the APN Group’s approach to risk management on two key principles:</p> <ul style="list-style-type: none"> <li>▪ <b>Focus on divisional risk management needs</b> - business division management is responsible for the day to day identification and assessment of risks applicable to their division and the implementation of risk</li> </ul>

	<p>management controls, policies and procedures appropriate for their businesses;</p> <ul style="list-style-type: none"> <li>▪ <b>Independent review of risk management</b> – the assessment of the risk management practices of the business divisions and the APN Group as a whole is conducted by persons independent of the business divisions (including the External Auditors, the Audit Committee and the Internal Audit Manager).</li> </ul> <p>The roles and responsibilities of the persons involved in the APN Group's risk management is set out in the attached chart.</p>
<b>Risk Profile</b>	<p>The APN Group is a diversified media company with 5 business divisions:</p> <ul style="list-style-type: none"> <li>- New Zealand Print and Publishing;</li> <li>- Australian Print and Publishing;</li> <li>- Radio;</li> <li>- Outdoor Advertising; and</li> <li>- Digital Media.</li> </ul> <p>In addition the APN Group operates in a number of jurisdictions including Australia, New Zealand and several countries in Asia.</p> <p>The APN Group is therefore subject to diverse types of risk including:</p> <ul style="list-style-type: none"> <li>- legal and regulatory compliance;</li> <li>- financial and market;</li> <li>- government policy and political;</li> <li>- reputation and brand;</li> <li>- operational risk; and</li> <li>- trading conditions.</li> </ul> <p>The diversified nature of the businesses and operations of the APN Group:</p> <ul style="list-style-type: none"> <li>▪ means that any single risk apparent to a division must be considered in the context of APN Group materiality; and</li> <li>▪ is a key reason for the Board's commitment to a division based responsibility for the implementation of risk management policy and the primary identification of risk management issues.</li> </ul>
<b>Assessment of effectiveness</b>	<p>The APN Group's approach to risk management is assessed on a continual basis with the Board considering risk management issues regularly through the report of the CEO and CFO. These reports are themselves developed through regular reports from divisional management to the CEO and CFO dealing with relevant risk management issues.</p> <p>The Internal Audit Manager, who reports directly to the Audit Committee, also liaises with Business division management and the CEO and CFO of the APN Group regarding all audit and risk management issues.</p> <p>The External Auditors, in consultation with the Audit Committee of the Board, reviews risk management issues applicable to the APN Group.</p>
<b>Availability of this policy</b>	<p>A copy of this policy will be made available to any person on a request made to the Company Secretary.</p>

# ROLES AND RESPONSIBILITIES CHART

