

Risk Management Policy

Pioneer Credit is committed to managing all material risks so that residual risk is within the tolerances established under the Company's Risk Appetite Statement, set by the Executive in conjunction with the Board.

In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. Managing risk is the responsibility of everyone in the Company.

The overall risk appetite of Pioneer is to seek and take an appropriate and balanced range of risks that deliver Pioneer's strategic objectives while seeking to reduce or eliminate those risks that do not support these objectives, where it is cost effective to do so.

To achieve this objective, we will:

- Embed risk management into our critical business activities and processes;
- Understand the threats to and opportunities for achievement of our objectives;
- Establish and maintain a structured approach to risk management, in the form of:-
 - Board approved Risk Management Framework, which establishes common understanding, definitions and methodologies;
 - regular risk management review processes.
- Understand the threats to and opportunities for achievement of our objectives;
- Allocate responsibilities and roles to all levels within the organisation;
- Maintain a number of policies and practices designed to manage specific business risks including having in place:-
 - a comprehensive insurance program;
 - regular budgeting and financial reporting;
 - clear limits and authorities for expenditure levels;
 - procedures/controls to manage OH&S matters, compliance with Australian Credit Licences, continuous disclosure obligations under the ASX Listing Rules and Corporations Act;
- It is the responsibility of Executive and Service Area Managers to foster organisational compliance with this Policy Statement and its supporting procedures and other related documentation.

It is the responsibility of all employees to comply with all elements of this Policy Statement applicable under their specific role and training.

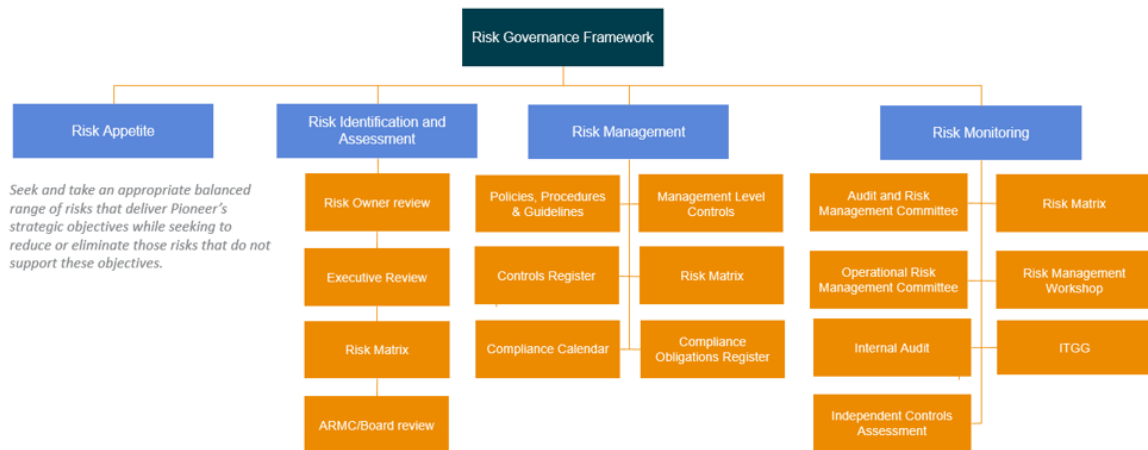
This policy applies to all of Pioneer Credit's controlled activities.

Accountabilities/Responsibilities

- The Board is responsible for approving the Company's policies on risk oversight and management;
- The ARMC is responsible for monitoring management's performance against the Company's Risk Management Framework;
- The Managing Director is responsible for identifying, assessing, monitoring and managing risks;
- Executives are responsible for assisting the Managing Director identify, assess, monitor and manage risks;
- Managers and Supervisors must monitor material business risks for their areas of responsibility, provide adequate information on implemented risk treatment strategies to senior executives, and ensure staff are adopting the Company's risk management framework;
- Individual staff should recognise, communicate and respond to expected or changing material business risks, contribute to the process of developing the Company's risk profile and implement risk management strategies within their area of responsibility; and
- Where a responsibility has been assigned to an individual and that individual's role is vacant or no longer exists, that responsibility will become the responsibility of their manager.

Keith Roy John
Managing Director

Risk Governance Framework



Refer to the following documents for further information:-

1. Risk Appetite Statement
2. Risk Register
3. Controls Register
4. Risk and Corporate Governance Framework
5. Risk Management Work Procedure