

Risk Management Policy

1. Risk Profile & Management of Risks

Risk is an inherent part of GLG Corp Ltd's ("GLG") business. GLG is in a highly competitive market sector.

GLG regards business risks as threats to the achievement of GLG's objectives and goals and to the successful execution of its strategies.

The main categories of risks faced by GLG are:

Operations Risks

- Operations
- Outsourced Partner & Manufacturing
- Legal, Regulatory & Compliance
- Resources (e.g. Human Resources, Information systems, Corporate resources, Property or Assets, etc.)
- Finance (eg liquidity, trade credit financing, foreign exchange etc.)

Commercial Risks

- Customer Business
- Competitors
- Reputations

Strategic Risks

- Investment
- External Factors (eg Hazards)

2. Risk Oversight - The Audit Committee and the Board

The Audit and Risk Committee reviews and the Board approves:

- GLG's risk management strategy and policy as prepared by management;
- GLG's risk management framework, including key policies and procedures, including any changes to the risk management framework or any key risk policies and procedures; and
- compliance with the endorsed risk management framework through monthly reporting to the Board.

Authority may be delegated to management where appropriate.

The Audit and Risk Committee regularly reviews business risks applicable to the business and ongoing operations. Additionally, the Audit and Risk Committee considers risk profiles as part of the annual strategy review and budget planning review. As part of the monitoring process, the Audit and Risk Committee is provided with monthly management reports, documenting as applicable:

- Reports on exposures, non-compliance with key policies and general effectiveness of risk management systems, when necessary;
- Results of independent reviews of the control environment;
- Other management information.

3. Compliance & Control / Assessment of Effectiveness

The Board of GLG is aware of the inherent risks associated with its business and takes ultimate responsibility in relation to risk management. In addition, the Board has delegated certain activities to the Audit and Risk Committee, namely those of a primarily financial nature.

The Audit and Risk Committee's functions, which are set out in its charter, are to assist the Board in the exercise of its legal responsibilities with respect to the overall control and management of GLG. In particular the Audit and Risk Committee reviews and reports to the Board on matters including:

- the integrity of GLG's financial and external reporting;
- the external auditors' selection, scope and independence; and
- the effectiveness and adequacy of management information and internal control structures.

The Audit and Risk Committee also plays a key role for the Board in overseeing management's application of the ASX Corporate Governance Council Guidelines in respect of Financial Reporting and Risk oversight.

4. Risk Management

The Board has also delegated various authorities to the CEO and the CFO to enable the setting of the policy and procedures to assist with the management of GLG's risk profile. The management of operational risk and the implementation of mitigation measures is the responsibility of management.

The risk management and internal control systems within GLG encompass all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that:

- established corporate and business strategies and objectives are achieved;
- risk exposure is identified and adequately monitored and managed;

- resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out GLG's business;
- significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- there is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

The Audit and Risk Committee reviews how senior management:

- Delegate approvals required under the risk management framework;
- Report risk management including operational issues, operational losses;
- Monitor operational control weaknesses and breakdowns, including fraud;
- Monitor due diligence conducted for appointment and ongoing monitoring of outsourced arrangements; and
- Perform in self-assessment reviews and their monitoring of results of workshops for other employees.