

JB Hi-Fi is committed to managing risk to protect our staff, the environment, company assets and our reputation as well as to realise opportunities.

JB Hi-Fi's policy is to consider the balance of risk and reward, as far as practicable, in order to optimise the returns gained from its business activities and to meet the expectations of its stakeholders.

Responsibilities

1. Board

The Board implements this policy by ensuring that adequate procedures are in place to identify the principal risks of the company's business and ensuring the implementation of appropriate systems to manage these risks.

2. Audit Committee

The board has delegated to the Audit Committee responsibility for:

- advising the board on the matter of internal control including financial statements, due diligence, financial systems integrity and risk management;
- establishing and maintaining processes to ensure that there are adequate systems of internal control, risk management and safeguard of assets;
- overseeing the relationship, appointment and work of internal and external auditors;
- recommending to shareholders the termination of the external auditor's appointment where appropriate.

3. Management

Management implements this policy by establishing and implementing a system for identifying, assessing, monitoring and managing material risk throughout the company. Management is expected to:

- provide a system of ongoing risk review that is capable of responding promptly to new and evolving risks;
- monitor the effectiveness of the system of risk and internal control management;

4. Internal Audit Function

The Internal Audit Function implements this policy by providing independent assurance in relation to the effectiveness of processes to manage particular areas of risk, functionally reporting to the Audit and Risk Management Committee and having all necessary access to management and the right to seek information and explanations. The Internal Audit Function implements this policy having due regard to the size and complexity of the company.