



GLOBE INTERNATIONAL LIMITED
SUMMARY OF RISK MANAGEMENT POLICIES

In accordance with the recommendations of the Australian Securities Exchange's principles of good corporate governance, Globe is committed to the identification of material business risks associated with its business activities and has established various policies to embed in its management and reporting systems. These include:

Financial risk management

Globe has in place policies and procedures for the management of various financial risks and treasury operations including exposures to foreign currency movements. (See note 2 of the 2009 Financial Statements for a summary of these policies)

Capital risk management

Globe's primary objective when managing its capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits to other shareholders. Accordingly, Globe's policy is to maintain a low level of borrowings.

In order to maintain or adjust the capital structure, Globe may adjust the amount of dividends paid to shareholders, issue new shares and sell assets to pay down debt or return capital to shareholders. Where there is excess capital in the business through major asset sales, Globe will aim to return this capital to shareholders.

Budgeting systems

Globe's budgeting systems enable the regular monitoring of progress against performance targets and the evaluation of trends to enable management to take remedial action as and when necessary

Internal control policies

Globe has in place internal control policies to manage material business risks that arise in specific areas of its operations such as cash management, inventory management, credit control, foreign currency cover, approval of senior executive expenditure and user access to computer systems.

Comprehensive insurance program

Globe has in place a comprehensive insurance program that is reviewed by management annually in consultation with specialist insurance brokers. This program covers Globe for various material business risks including public and products liability, business interruption, business travel, workmen compensation, marine cargo and industrial special risks.

Directors' due diligence questionnaire to management

On an annual basis, management is required to report to the Board through a questionnaire in relation to the effective management of material business risks that arise during the course of the year.

CEO and CFO sign offs

On an annual basis, the CEO and CFO certify to the Board that :

- The Company's financial reports are complete and present a true and fair view, in all material respects of the financial condition and operational results of the Company and the Group and are in accordance with relevance accounting standards as required by the Corporations Act; and,
- The above statement is founded on a system of risk management and internal control , and the system is operating effectively in all material respects in relation to financial reporting risks.