

ONESTEEL LIMITED**RISK POLICY**

OneSteel is committed to managing risk to protect our people, the environment, company assets and our reputation as well as realise opportunities. This risk-based system of internal control helps us to operate effectively and efficiently, achieve business objectives, ensure reliable reporting and comply with applicable laws and regulations eg ASX Corporate Governance Principles.

The Board implements this policy by overseeing the establishment and implementation of the risk management system reviewing the effectiveness of the company's implementation of that system in accordance with the risk management standards - AS/NZs 4360. Through this system, the Board ensures that the investors are informed of material changes to the company's risk profile. The Board is assisted in this process through the Audit & Compliance Committee, the Occupational, Health, Safety & Environment Committee and the Operational Risk Committee.

The Committees assist the Board in implementing this policy by focusing the company on risk oversight and management and on internal control. The Committees oversee the establishment of policies on risk oversight and management.

The Committees provide advice to the Board and report on the status of the company's business risks through integrated risk management programs. These management programs cover areas such as the environment, occupational health and safety, operations, asset protection, financial reporting and internal control. Except for financial reporting and treasury risk, which are handled centrally, each business operational unit is responsible and accountable for implementing and managing to the standards required by risk management programs.

Management implements this policy by establishing a system for identifying, assessing, monitoring and managing material risk throughout the company. This system includes the company's internal compliance and control systems.

Management is expected to:

- provide a system of ongoing risk reviews that is capable of responding promptly to new and evolving risks;
- monitor the effectiveness of the system of risks and internal controls management; and
- provide an annual assurance to the Board regarding the extent of its compliance with this policy.

Each Business Unit is expected to:

- establish clear business objectives and identify and evaluate the significant risks that may influence the achievement of those objectives;
- define acceptable levels for risk taking and apply fit-for-purpose risk mitigation measures where necessary;
- comply with company standards which relate to particular types of risks; and
- comply with the company's system of ongoing risk review.

Managers are expected to:

- design, resource, operate and monitor internal control systems;
- ensure that a risk-based approach to internal control is communicated to our people and embedded in business processes;
- assign accountability for managing risks within agreed boundaries; and
- report the results of balanced assessments regarding the effectiveness of the risk-based internal control system, including identified weaknesses or incidents, to executive management.

Risk Management and Audit implements this policy by:

- functionally reporting to the Audit & Compliance Committee;
- administratively reporting to the Chief Financial Officer; and
- having all necessary access to management and the right to seek information and explanations.

Reviewed by the Governance & Nominations Committee on 15 June 2009

Approved by the OneSteel Limited Board on 20 July 2009