

RISK MANAGEMENT POLICY

The Risk Management Committee is established by the Board to ensure that the Company and its subsidiaries (the **Company**) have established a sound system of risk management. This Committee is primarily responsible for operational and other non-financial risks (the Audit Committee is responsible for financial and information technology risks).

1. COMPOSITION

The full Board carries out the duties that normally fall to the Risk Management Committee.

Committee membership will be reviewed at least annually.

The Committee may invite attendance from any staff of the company and seek external advice to assist in its duties.

If a member or attendee has a conflict of interest in a matter this must be indicated at the commencement of the meeting. However, the Committee will have the discretion to allow the person to participate in the relevant item or not, according to the Company's policy on conflicts of interest.

2. ROLE

The Committee is established to monitor and review on behalf of the Board the system of risk management which the Company has established. This system should identify, assess, monitor and manage operational and compliance risks.

The Risk Management Committee determines the Company's 'risk profile' and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.

The Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.

Although it is not possible to provide absolute assurance that all corporate risks will be fully avoided or even mitigated, the Committee should aim to minimise any adverse impact on the Company that may result from the occurrence of an identifiable corporate risk.

3. REPORTING PROCEDURES

The Board is to meet at least annually to consider the matters in the Risk Management Policy and to ensuring that the Policy accords, to as great an extent as is mandatory and otherwise practical, with the ASX Recommendations, as amended from time to time.

4. RESPONSIBILITIES

In fulfilling its purpose outlined in section 2, the Committee should ensure that:

- the Company's risk profile is identified and monitored through a systematic review of the organization and its operations at least annually, with results reported to the Board;
- it communicates any material changes to the Board as to the management of risk, the risk profile, and the associated internal controls of the Company;
- it reviews whether the Company has any material exposure to economic, environmental and social, sustainability risks and, if it does, how the Company manages or intends to manage those risks;
- adequate policies and procedures have been designed and implemented by management to manage risks identified;
- proper remedial action is undertaken to redress areas of weakness identified by the system of risk management and/or the Committee;
- a system of reporting and investigating incidences, breaches or excessive risks operates effectively;

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- when requested to do so by the Board or when the Committee considers appropriate, an investigation can be undertaken and reported to the Board on any risk-related matters;
- there is a system whereby the Managing Director/CEO and the Board are immediately notified of any information which might have a material effect on the price or value of the Company's securities, and that such information is released to the ASX in accordance with the requirements of the Company's disclosure policy and the ASX Listing Rules;
- obtaining, for each financial period, a statement from the Managing Director/CEO, Chief Financial Officer and the Chief Operating Officer (if any) or any of their equivalents, to the Board that the company's risk management and internal compliance and control system is operating effectively in all material respects; and
- the Policy is made publicly available on the website.

5. SPECIFIC RISKS TO BE MANAGED BY THE COMMITTEE

Outlined below are some specific operational and compliance risks inter alia, which are the responsibility of the Committee.

The Committee is responsible for:

- promoting and supporting an organisational culture that is committed to risk management through open communication and effective risk management leadership;
- reviewing the Company's main corporate governance practices as required under the ASX Listing Rules for completeness and accuracy;
- assessing that appropriate policies, procedures, controls and monitoring and reporting mechanisms have been adopted by the Company to minimise breaches of and promote compliance with all relevant legislation and regulations, including but not limited to OH&S, industrial relations, environmental and trade practices;
- assessing that there are appropriate policies to provide for adequate employee education and to facilitate safety, security and good health in the workplace and monitoring of workplace safety;
- reviewing how the Company operates in accordance with the terms of all licences and permits issued to it by any government body or any other authority;
- making enquiries as to whether the management of the Company pays due attention to ethical considerations in implementing the Company's policies and practices and following up on any identified weaknesses;
- adopting procedures and policies for the improvement and preservation of the reputation of the Company; and
- enquiring whether the Company has put appropriate insurance in place and following up on any identified gaps.