

RISK MANAGEMENT POLICY

333D Limited ACN 118 159 881

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1 INTRODUCTION

1.1 Background

Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies.

The purpose of the Risk Management Policy (the **Policy**) is to ensure that:

- appropriate systems are in place to identify to the extent reasonably practicable all material risks that may impact on the Company's business;
- the financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks;
- appropriate responsibilities are delegated to control the identified risks effectively; and
- any material changes to the Company's risk profile are disclosed in accordance with the Company's Continuous Disclosure Policy.

For the purpose of this Policy, "risk" is defined as possible outcomes that could materially adversely impact on the Company's financial performance, assets, reputation, people or the environment.

1.2 Board Responsibility

The Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions. As a minimum, the Board is required to:

- oversee the establishment and implementation of the risk management system; and
- review the effectiveness of the Company's risk management system,

in relation to the processes, structures and culture established to identify, assess, treat and monitor risk to support the achievement of the Company's objectives.

In specific areas, at the election of the Board, it may be assisted by an **Audit & Risk Management Committee** or a **Risk Manager**.

Where an Audit & Risk Management Committee exists, it shall be responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The minutes from any meetings of the Audit & Risk Management Committee (including recommendations and decisions) shall be provided to the Board for review and ratification.

Risk Managers may be appointed to implement procedures and controls for identified risks.

Not all aspects of risk management can be formalised, and the Company places considerable reliance on the skill, experience and judgment of its people to take risk managed decisions within the framework of this Policy and to communicate openly on all risk related matters.

2 KEY PRINCIPLE AND CONCEPTS

2.1 Identified Business Risks

There are a number of risks which are inherent to the business activities which the Company undertakes.

These risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the Board to conduct regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

2.2 Business Risk Management Policies and Practices

In order to properly identify and develop strategies and actions to manage business risks, the Company has put in place a business risk management framework based on the following key elements:

- The Board which meets periodically to identify and assess specific risks. The Board should have a thorough understanding of the Company's activities and should be conversant with the Company's business plans, objectives and values;
- an assessment of the potential impact of identified business risks and the likelihood of occurrence;
- a ranking of the business risks in accordance with the likely impact on the Company;
- an assessment of the acceptability of each identified risk;
- a consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and
- an assignment of the responsibilities for the management of each risk to a risk owner or Risk Manager.

Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed.

The Board reviews the Company's risk management at every Board meeting, and where required, makes improvements to its risk management and internal compliance and control systems.

2.3 Procedures and Practices to manage Policies and Risks

In addition to the specific risk management process described in this Policy, the Company has the following procedures and practices which are designed to manage specific business risks including:

- procedures/controls to manage financial exposures and operational risks;
- procedures/controls to manage environmental and occupational health and safety matters;
- procedures/controls to manage solvency and oversight of the Company's financial affairs;
- regular performance reporting enabling the identification of performance against targets and evaluation of trends; and
- ongoing training and development programs.

Additionally, all other significant areas of the Company's operations are subject to periodic reporting to the Board, including business development, finance, legal, safety, environment, government and investor relations.

2.4 Risk Management Reporting

The Company prepares periodic risk reports on the status of key risk management activities, identification of new risks, changes to the Company's risk profile as reflected in the risk register and providing any updates from the Audit and Risk Management Committee and/or Risk Manager. The risk report comprises at a minimum, the following:

- An insurance program which is reviewed by the Board;
- regular budgeting and financial reporting;
- the Company's business plan;
- the Delegations Register; and
- the Risk Register.

3.1 Amendment of Policy

This Policy can only be amended with the approval of the Board.

3.2 Adoption of Policy and Board Review

This Policy was adopted by the Board on the adoption date and takes effect from that date and replaces any previous charter in this regard.

The Board may review and reassess this Policy annually, or otherwise required. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to employees as appropriate.