



## RISK MANAGEMENT POLICY

**Spectur Limited**  
**ACN 140 151 579**

Date Adopted: 26 April 2017  
Updated 13 December 2019

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### 1. Preamble

- 1.1 The Board of Directors (**Board**) of Spectur Limited (ACN 140 151 579) (**Company**) recognises that risk management is an integral part of operating its business and is a continuous process demanding awareness and proactive measures to reduce the occurrence and impact of risk events. The objective of this policy is to achieve an operating environment, in which all significant risks are identified and proactively managed. We aim to eliminate, or appropriately mitigate unforeseen, potentially serious or catastrophic risks and their related consequences.
- 1.2 The Company has established a Risk Management Policy (**Policy**) in order to:
- (a) provide a framework for identifying, assessing, monitoring and managing risk;
  - (b) communicate the roles and accountabilities of participants in the risk management system; and
  - (c) highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.

### 2. Role and responsibilities

The Company's Board of Directors (**Board**) is responsible for determining the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Company has implemented an internal risk management framework.

The specific objectives of this framework are to:

- support the integration of risk management within the business;
- support a culture of risk awareness where the taking of identified and reasonable risks in pursuit of the Company's strategy is encouraged;
- ensure a consistent application of the Company's risk management policies and procedures;
- enable Management to provide assurance to the Board that key risks are being effectively managed and mitigation strategies are being implemented;

- provide the training necessary for the Company's employees to support effective risk management practices; and
- provide clarity of responsibility for the identification, reporting and management of risk.

Management is required to maintain procedures to identify material changes to the Company's risk profile and address risk in the Company's activities and employ tools for risk identification, risk assessment, risk management and risk reporting and monitoring.

Employees are encouraged to take pro-active approach to involvement with the Company's risk management strategy and to feel safe in identifying issues and risks as they arise.

### **3. Risk management and internal control**

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- compliance with applicable laws and regulations;
- preparation of reliable published financial information; and
- implementation of risk transfer strategies where appropriate eg insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back at each Board Meeting at least quarterly.

The Board will review assessments of the effectiveness of risk management and internal compliance and control at least bi-annually.

The framework for the Policy and internal compliance includes the following key elements:

- Oversight of the Company's financial affairs will be the responsibility of the Board.
- Delegations of Authority between the Board and management;
- Similarly, delegations of authority for levels of management to be formulated adopted and communicated to management and employees.
- The Company will adhere to a thorough due diligence process in relation to any proposed business relationship or asset acquisition.
- The formulation of policies and procedures for development and protection of intellectual property rights, as well as protection of the Company's confidential information and trade secrets, is vital. The Board will ensure that systems are in

place to protect and maintain the integrity of intellectual property rights, confidential information and trade secrets.

- (f) Management will continuously monitor and manage all external geo-political, environmental, social, economic and labour risks which may impact upon the business;
- (g) The Company will monitor and manage all issues relating to occupational health and safety. All potential exposures to illness or injury will be managed.
- (h) The Company's computer systems will be regularly maintained for the protection of electronic records, including a comprehensive back-up routine involving off-site storage.

#### **4. Risk analysis and evaluation**

4.1 The Board will formulate a procedure for analysing and evaluating risk.

4.2 A risk evaluation will be carried out by senior management and subject to the delegated levels of authorities provided to management, will be communicated to the Board before the proposal is approved. Proposals regarded as significant may include:

- (a) major fundraising activities;
- (b) new product research and development activities;
- (c) mergers, acquisitions or divestments;
- (d) operating in a new country;
- (e) major capital procurement; and
- (f) material alliances, partnering or shared service arrangements of functions.

4.3 The risk evaluation will be a document presented to the Board that:

- (a) describes the internal and external risks;
- (b) evaluates the impact of the risks; and
- (c) includes any necessary risk management plan.

4.4 The risk management plan will identify each risk, define acceptable thresholds, and detail action to be taken to mitigate the risks.

4.5 Similar risk management plans may be created for ongoing operations (e.g. in a particular country or with a particular contractor).

#### **5. Risk monitoring and review**

5.1 If after consideration of the risk analysis the proposal is approved by the Board, senior management will monitor progress against the risk management plan and promptly report any material matters to the Board.

5.2 Monitoring the status of each risk and any necessary action plan relating to treatment of risk will take place on a regular basis. Any action or recommendations arising out of the review process will be implemented by management.

5.3 The Board will review assessments of the effectiveness of risk management and internal compliance and control on a bi-annual basis.

## **6. Audit Risk and Reporting Systems**

Each half-year management is required to prepare a report identifying and assessing the current and future risks facing the company, and the strategies or controls in place to mitigate those risks.

In addition, the Board requires that each major proposal submitted to the Board for a decision be accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

Each year the Managing Director / Chief Executive Officer and the Chief Financial Officer provide in accordance with section 295A of the Corporations Act, a written statement to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operating results are in accordance with relevant accounting standards.

They also confirm that the statement is founded on a sound system of risk management and internal control which implements the policies adopted by the Board and that the Company's risk management and internal compliance control system is operating efficiently and effectively in all material respects.

## **7. Code of Conduct and Policies and Procedures**

The Board has established a Code of Conduct and comprehensive set of policies and procedures which form an integral part of its risk management framework. Please refer to the information on Primary Objectives and Company Code of Conduct on the company's Governance website page.

## **8. Insurance**

8.1 The Company will maintain a comprehensive suite of insurance policies, which are appropriate for the Company's business needs.

8.2 The Company's insurance policies will be reviewed by the Board on an annual basis.

## **9. Further information**

9.1 The Company will publish this Policy on the Company's website: [www.spectur.com.au](http://www.spectur.com.au).

9.2 If you have any questions or need further information in relation to this Policy, please contact the Company Secretary.