



RISK MANAGEMENT POLICY

1. Purpose

This policy sets out the Company's approach to risk management, including its approach to identifying and managing risk, the responsibilities of the Board, management and others within the Company in relation to risk management, and the resources and processes dedicated to risk management. Managing risk is the responsibility of everyone in the Company.

Recognising and managing risk is fundamental in the Company achieving its strategic objectives, and a crucial part of the role of the Board and management.

Sound risk management practices can not only help to protect established value, but also can assist in identifying and capitalising on opportunities to create value.

The Company recognises that a failure by it to recognise or manage risk can adversely impact not only on the Company and its shareholders, but also other stakeholders which may include employees, customers, suppliers, creditors, consumers, taxpayers and the broader community in which the Company operates.

The Board is ultimately responsible for deciding the nature and extent of the risks it is prepared to take to meet its strategic objectives. To enable the Board to do this, the Company must have an appropriate risk management framework to identify and manage risk on an ongoing basis.

2. Scope

This policy applies to all directors, employees and contractors and advisers and to all business activities of the Company and its subsidiaries and any joint ventures under the Company's operational control, collectively referred to as Andromeda.

3. Risk appetite

The Board is responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives (risk appetite). The Audit and Risk Committee will make recommendations to the Board in relation to the Company's risk appetite.

The Board will determine the Company's risk appetite, which will be reviewed on an annual basis.

4. Risk Management Framework

4.1 Risk Identification

The risks faced by the Company will be identified and documented in a risk register. Risk identification will be undertaken as part of the Company's strategic planning and budgeting process and may be carried out through a workshop with management and potentially the board.

4.2 Risk Analysis

Once the list of risks is agreed on by management and the Board, and reviewed by the Audit and Risk Committee, the risks will be analysed by determining consequences of the risks eventuating and their likelihood. Existing risk controls and their effectiveness (as perceived by management) should be taken into account when considering how likely the

risk event is to occur and the impact/consequences it will have on the business.

Risk prioritisation will be undertaken at the same time as risk identification and will be considered in light of a Company approved risk matrix.

4.3 Risk evaluation

Prioritised risk should be compared with the risk appetite established by the Board. The output of this process will be a prioritised list of risks for further action.

4.4 Risk Treatment

Where the level of risk is above the desired level, management will develop and execute an action plan to address the risk by either:

- transferring the risk;
- reducing the risk;
- accepting the risk;
- or a combination of the above approaches

This action plan will be reviewed by the Audit and Risk Committee.

When selecting the way a risk will be treated, the Company will consider the values and perceptions of stakeholders and the most appropriate ways to communicate with them.

4.5 Risk monitoring and Review

The risk management framework will be reviewed at least once a year, or more often as required.

The Company's Audit and Risk Committee

Risk Management is a standing agenda item at the Audit and Risk Committee meetings.

The risk management framework will be monitored and reviewed by the Audit and Risk Committee as set out in the Audit and Risk Committee Charter. However, the Board may request independent verification in relation to all or some of the risk management framework or individual controls, via internal or external means.

The risk register will be reviewed, and if required updated, on at least a half yearly basis, or more often if required.

The risk management framework and processes will all be documented.

5. Roles and Responsibilities

5.1 Board

The Board is responsible for setting the Company's risk appetite, for overseeing the risk management framework designed and implemented by management and to satisfy itself that the risk management framework is sound. The Board is also responsible for monitoring and reviewing the Company's risk profile.

5.2 Audit and Risk Committee

The Board has established a separate Audit and Risk Committee which is responsible for, among other things, the adequacy of the Company's corporate reporting processes and the appropriateness of managements accounting judgement or choices. It also reviews the Company's internal financial control system and reviews, make recommendations and oversees the Company's risk management framework. The role of the Audit and Risk Committee is set out in the Company's Audit and Risk Committee Charter.

However, ultimate responsibility for the Company's risk management framework rests with the Board.

5.3 Senior Management

Senior Management (comprising the Managing Director, Operations Director and Chief Financial Officer and such other individuals as the Audit and Risk Committee determines from time to time) has responsibility for identifying, assessing, monitoring and managing risks.

Senior Management is required to report on the progress of, and on all matters associated with, risk management to the Audit and Risk Committee. Senior Management is to report to the Audit and Risk Committee as to any proposed changes to the effectiveness of the Company's management framework, any new and emerging sources of its material business risks and any disclosure-related consideration.

5.4 Managers and supervisors

Managers and supervisors must:

- (a) monitor material business risks for their areas of responsibilities;
- (b) provide adequate information on implemented risk treatment strategies to management to support ongoing reporting to the Board; and
- (c) ensure staff are adopting the Company's risk management framework as developed and intended.

5.5 Individual staff

All staff within the Company have a responsibility to exercise duty of care to ensure their own safety and the safety of others.

All staff within the Company should:

- (a) recognise, communicate and respond to expected, emerging or changing material business risks;
- (b) contribute to the process of developing the Company's risk profile; and
- (c) implement risk management strategies within their area of responsibility.

6. Review

The Company's risk management framework continues to evolve. It is an on-going process, and it is recognised that the level and extent of the risk management framework will evolve commensurate with the development and growth of the Company's activities. This will include an annual review of this policy by the Audit and Risk Committee.

Record of reviews and relevant changes or amendments and/or reasons below:

Date	Version	Changes Made/Reasons for Changes	Changed By
20.01.2022	1.0	Approval and Adoption	The Board