

RISK MANAGEMENT POLICY



1. INTRODUCTION AND PURPOSE

Gratifii Limited (**Company**) considers risk management fundamental to maintaining efficient and effective operations, generating and protecting Shareholder value and meeting stakeholder obligations. For the Company, the management and oversight of risk is an ongoing process integral to the management and corporate governance of the business.

The users of this Policy are directors and employees of the Company (**Users**).

2. POLICY OBJECTIVES AND OUTCOMES

2.1 The Board of Directors of the Company (**Board**) determines the Company's appetite and tolerance for risk, aligned to its vision, strategy and culture.

The Company is committed to a risk management function that facilitates ethical behaviour and is the basis for the Company to achieve its objectives.

The risk management function involves Board oversight of its governance and the development of the risk management framework that includes:

- a) the appetite for risk in the development and execution of strategy;
- b) the tolerance of risk, within which the management operate;
- c) identification of all financial and non-financial risks across the company in terms of their impact;
- d) internal controls, systems and processes to manage/mitigate and to respond to risk events;
- e) the processes for identifying the vulnerabilities and threats facing the Company;
- f) processes for monitoring and reporting on the risk management function;
- g) the extent to which risk is transferred from the Company via insurance management; and/or contractually; and
- h) processes for monitoring and reporting on compliance with laws, regulations and standards (including ethical standards).

2.2 The intended outcomes of the risk management function include:

- a) the establishment of a robust risk management framework and internal control system that enhances the Company's ability to meet its strategic objectives;
- b) improved operating performance and reliable internal and external reporting;
- c) increased awareness and management of risk; and
- d) compliance with policies and procedures and applicable laws and regulations.

3. KEY RISK AREAS

3.1 The key areas of risk for the Company include:

- a) financial risk
- b) operational risk;
- c) reputational risk;
- d) strategic risk; and
- e) regulatory risk.

4. ROLES AND RESPONSIBILITIES

4.1 Board responsibility

The Board is responsible for the oversight of the risk management framework. This includes: its governance, policies and procedures related to risk management and assessing the relevance and effectiveness of the risk management framework, particularly in relation to the management of cyber threats and information security.

4.2 Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for advising the Board on risk and compliance management generally and to assist the Board in fulfilling its risk management and oversight responsibilities relating to (among other matters):

- a) the relevance of the Company's risk policy; and
- b) the effectiveness of the Company's risk management framework and supporting risk management systems.

Refer to the Audit and Risk Management Committee Charter for a detailed outline of the purpose and duties of the Audit and Risk Management Committee.

4.3 Senior Management

Members of the executive management of the Company (**Senior Management**) are responsible for the development of the risk management framework, and ensure that systems, processes (including Company wide education) and controls are in place and managed.

4.4 Employee responsibility

Employees are an integral component of risk management and contribute to the effectiveness of the risk management framework. Employee responsibility prescription should outline the contributions required.

4.5 External auditor

The external auditor is responsible for providing an independent opinion of the financial results of the Company. In undertaking this role, the external auditor also provides comments on the management of risk and assets of the Company in the identification of risk.