(the Company)

10 RISK MANAGEMENT and INTERNAL CONTROL POLCY

Overview

The Board recognises the importance of identifying and controlling risks to ensure that they do not have a negative impact on the Company. A risk management framework has been established which is designed to safeguard the interests of the Company, and to ensure the integrity of reporting.

The Board has adopted a proactive approach to risk management.

Benefits of a Risk Management framework

Some of the benefits identified in establishing and maintaining a risk management framework include:

- more effective strategic planning;
- better cost control;
- enhancing shareholder value by minimising losses and maximising opportunities;
- increased knowledge and understanding of exposure to risk;
- a systematic, well-informed and thorough method of decision-making;
- increased preparedness for outside review;
- minimised disruptions;
- better utilisation of resources;
- strengthening culture for continued improvement; and
- creating a best practice and quality organisation

Although it is not possible to provide absolute assurance that all corporate risks will be fully avoided or even mitigated, a risk management framework should aim to minimise any adverse impact from the occurrence of an identifiable risk to an acceptable level for the Company's core business.

The framework is reviewed on an annual basis by the Board.

Internal Control Policy

- The Board is ultimately responsible for the management of risk within the Company;
- The Board determines on an annual basis, the Company's appetite for risk arising from operational activities and level of investments in new projects and is responsible for overseeing and approving risk management policies, internal compliance, non-financial, financial and information technology compliance.

  (Normally, it would be the Audit and Risk Management Committee who would be responsible for matters associated with financial and information technology compliance but in the absence of this Committee, the current Board assumes the role of the Audit and Risk Management Committee.)
- The principle aim of the framework is the management of risk - identify, assess, monitor and manage operational, compliance, environmental and/or social risks, trigger remedial action to redress areas of weakness, breaches or unwarranted incidences and any modifications to internal control system are implemented;

- The Board will review and realign risks and opportunities arising from changes in the Company's business environment on an as needs basis;
- The Board may delegate some of the abovementioned responsibility to committees of the Board but maintain the overall responsibility for the process.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving:

- Effective and efficient use of Company resources;
- Compliance with applicable laws and regulations; and
- Preparation of reliable published financial information

The Company’s Risk Management framework consists of the following elements:

- An independent Board with Directors who have the skills, experience, knowledge and diversity for effective decision-making suitable for the Company’s operations, supported by competent management in many disciplines
- Regular Board meeting
- Signing authorities for the approval of contracts, investments, operational spend and capital raising initiatives;
- Established reporting lines between senior management and the Board, amongst the Board and between senior management and the rest of the Group;
- A management information system;
- Annual financial audits
- Acquisition of only value-add quality assets;
- Setting of strategy on an annual basis including scenario planning;
- Annual budgeting and monthly reporting systems enabling the monitoring of progress against targets;
- Appropriate due diligence processes for acquisitions and divestments;
- Triggers for the notification of information which may have a material effect on the price or value of the Company’s shares;
- A comprehensive program for the management of financial risk and treasury operations to account for movement in interest and mortgage rates;
- Employee education on key areas relevant to the Company;
- Appropriate insurances are in place and renewed annually;
- Operations are conducted within the terms of all licences issued by any government body or any other authority;
- All persons within the Company are encouraged to accept the responsibility for ensuring any known breach of an internal control is reported to the appropriate level such that it can be dealt with accordingly. Further, every employee is encouraged to identify and report to their manager any potential business risk.

The importance of the Audit and Risk Management Committee to the Risk Management framework cannot be underestimated.

Audit and Risk Committee
The Audit and Risk Committee is charged with the responsibility of establishing a framework of internal control which encapsulates:

- the Company’s financial statements and reporting systems complying with legal and regulatory requirements, including all relevant Accounting Standards;
- the safeguarding of Company assets;
- the maintenance of proper accounting records;
- the reliability of financial information; and
- the review of the qualifications, independence, performance and relationship with the external auditors

Annual Review
An annual review of the Company’s risk profile will be completed and any material changes to the risk profile are noted.

As part of the review process, the Board gathers information on the numbers of material risks identified in the last 12 months, methodology adopted to manage the identified risks, and was any risk management or internal control implemented.

Risk Certification
Each financial year, the CEO and Chief Financial Officer provide written representation to the Board confirming the Company's annual and interim financial reports are founded on a sound system of risk management and internal control and the system was operating effectively in all material aspects in accordance with Section 295A of the Corporations Act 2001 and 4.2 of the ASX Recommendations.

Change History

Date	Reason
June 2020	2nd Revision
December 2017	1st Revision
July 2013	Established