



Risk Management Policy

TASMEA LIMITED
ACN 088 588 425
(Company)

1 Purpose

- (a) The Company considers ongoing risk management to be a core component of the management of the Company. The Company's ability to identify and address risk is central to achieving its corporate objectives.
- (b) This Policy outlines the program implemented by the Company to ensure appropriate risk management within its systems and culture.

2 The Risk Management Program

- (a) The Company's risk management program comprises a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.
- (b) To achieve this, the Company has clearly defined the responsibility and authority of the of directors (**Board**) to oversee and manage the risk management program, while conferring responsibility and authority on the Audit and Risk Committee to develop and maintain the risk management program in light of the day-to-day needs of the Company. The Audit and Risk Committee is governed by the Audit and Risk Committee Charter, a copy of which is available on the Company's website.
- (c) Regular communication and review of risk management practice provides the Company with important checks and balances to ensure the efficacy of its risk management program.
- (d) The key elements of the Company's risk management program are detailed below.

3 Risk Identification

- (a) In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves applying a disciplined process to risk identification, risk assessment and analysis, risk treatment and monitoring and reporting.
- (b) The Company presently focusses on the following types of material risks:
 - (i) health, safety and environmental risks
 - (ii) regulatory and compliance risks;
 - (iii) reputational risks;
 - (iv) financial risks;
 - (v) risks relating to conduct of business; and
 - (vi) risks relating to intellectual property.

4 Responsibilities of the Board

- (a) The Board acknowledges that it is responsible for setting the risk appetite of the Company and for ensuring the overall effectiveness of internal management controls but recognises that no cost effective internal control system will preclude all errors and irregularities.
- (b) The Board has delegated responsibility for reviewing the risk profile including material business risks and reporting on the operation of the internal control system to the Audit and Risk Committee. However, the Audit and Risk Committee and management may also refer particular risk management issues to the Board for final consideration and direction.
- (c) The Audit and Risk Committee will review the effectiveness of the Company's risk management framework and internal control system annually to satisfy itself that it continues to be sound and that the entity is operating within the risk appetite set by the Board.

5 Responsibilities of the Risk and Audit Committee

- (a) The responsibilities of the Audit and Risk Committee are detailed within the Audit and Risk Committee Charter.

6 Responsibilities of Management

- (a) The Company's management will be responsible for designing and implementing risk management and internal control systems and specific action plans which identify and mitigate material risks for the Company.
- (b) Management will regularly monitor and evaluate the effectiveness of the internal control systems and action plans. In addition, management should promote and monitor the culture of risk management within the Company and compliance with the internal risk control systems. Management will report regularly to the Audit and Risk Committee regarding the status and effectiveness of the risk management program. Management will make regular exception reporting to the Board as part of the CEO board reporting regarding instances of control weaknesses or failures resulting in elevated risk exposure or incidents that resulted in financial loss, injury or environmental harm for the Company.