

# Risk Management Policy

Karratha Metals Group Ltd  
ACN 000 738 885



## Introduction

The Board of Karratha Metals Group Ltd (**Company**) is committed to managing its risks in order to both minimise uncertainty and to maximise its business opportunities.

The Board recognises its exposure to economic, environmental and social sustainability risks that could adversely affect the achievement of the Company's objectives and successful implementation of its business strategies.

The primary objective of risk management is to ensure that risks facing the business are appropriately managed to deliver better outcomes. The risk management framework aims to achieve this by:

- Capturing and evaluating risks and opportunities;
- Determining whether further action is required; and
- Taking further action where necessary.

For the purpose of this Policy, risk is defined as possible outcomes that could materially adversely impact the Company's financial performance, assets, reputation, people or the environment.

## Risk Oversight

The Board has the primary responsibility for identifying the principal risks and opportunities of the Company's business and ensuring that appropriate risk management systems and an internal control framework are established and reviewed.

The Board has responsibility for establishing, implementing and maintaining the Company's risk management systems and internal control framework.

Day-to-day responsibility for risk management and internal control currently resides with the Board with assistance from the Chief Financial Officer.

Not all aspects of risk management can be formalised, and the Company places considerable reliance on the skill, experience and judgement of its people to take risk managed decisions within the Policy framework and to communicate openly on all risk related matters.

## Risk Management System

The Company's system for identifying, assessing, monitoring and managing its risks is as follows:

- The Board monitors management and operational performance as required;
- The Board is provided with finance reports upon request which includes budgeting and financial reports;
- An insurance program is prepared by the Company's management, and may be reviewed by the Board;
- All statutory and external financial reporting requirements as required by the Corporations Act and relevant accounting standards, are complied with in terms of annual financial report and the

Board reviews these reports and related accounting procedures on an ongoing basis;

- Presentations are made to the Board throughout the year by appropriate members of senior management on the Company's projects;
- All major capital expenditure, acquisitions and divestments are approved by the Board;
- A Securities Trading Policy has been adopted to ensure that all trading in the Company's securities by KMP and Personnel occurs in compliance with statutory requirements; and
- The adoption of the Code of Conduct which is applicable to all Directors, officers, employees, consultants and contractors setting out the expected standards of conduct and compliance.

## Performance Evaluation

Please refer to the Company's Performance Evaluation Policy for details on the performance evaluation of the Board.

## Review of Policy

The Board shall review this Policy as required.

This Policy was approved by the Board of the Company on 31 October 2018.