



Risk Management Policy

Mach7 Technologies Limited

ACN 007 817 192

(the Company)

Adopted by the Board on 22 April 2021

Last reviewed and approved by the Board on 27 April 2023



Risk Management Policy

Mach7 Technologies Limited & its Subsidiaries (the Company)

1. Introduction

1.1 Background

Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies.

1.2 Scope

This Policy is relevant to all business units and applies to all employees, contractors and persons/organisations engaged to work for or with the Company.

A business unit may adopt procedures consistent with requirements of this Policy and tailored to its specific requirements, such as specific risk criteria used by Quality.

1.3 Purpose

The purpose of the Risk Management Policy (the Policy) is to ensure that:

- (a) appropriate systems are in place to identify to the extent reasonably practicable all material risks that may impact on the Company's business;
- (b) the financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks;
- (c) appropriate responsibilities are delegated to control the identified risks effectively; and
- (d) any material changes to the Company's risk profile are disclosed in accordance with the Company's Continuous Disclosure Policy.

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

1.4 Responsibilities

Board

The Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions. As a minimum, the Board is required to:

- (a) oversee the establishment and implementation of the risk management system; and
- (b) review the effectiveness of the Company's risk management system,

in relation to the processes, structures and culture established to identify, assess, treat and



monitor risk to support the achievement of the Company's objectives.

Audit and Risk Management Committee

The Board has delegated certain risk management duties to its Audit & Risk Management Committee (ARMC). These duties can be found in the Audit & Risk Management Committee Charter, however broadly the ARMC is responsible for reviewing the effectiveness of the Group's compliance and risk management functions and establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

CEO

The CEO ensures that the Policy is being applied and that risk management processes objectively assesses the risks of the Company, including:

- Establishing an environment that promotes an awareness of risks and individual responsibilities;
- Assessing the business unit objectives and plans in consultation with the ARC/Board and independently determine risks associated with those business plans;
- Ensuring that a Company-wide risk register (Risk Register) is maintained; reviewing the risks and accepting or altering controls as required;
- Ensuring emerging risks are identified and treated, and to ensure that appropriate mitigation action is taken where necessary and entered in the risk register/s;
- Reviewing and responding to recommendations from the ARMC or external auditors and implementing changes as required.

Managers

Managers ensure that the Policy is being applied and that risk management processes objectively assess the risks of their business units' activities.

Specifically, this includes:

- Assessing their business unit objectives and plans in consultation with the CEO and independently determine risks associated with those objectives and plans;
- Ensuring that their identified business unit risks are reported on the Risk Register, and regularly reviewing those risks and accepting or altering controls as required;
- Ensuring emerging risks are identified and treated, and to ensure that appropriate mitigation action is taken where necessary and entered in the Risk Register; and
- Ensuring that mitigation activities translate into specific activities and procedures and staff are aware of these procedures and how to complete the activities;

Supervisors/Employees/Contractors (collectively "Employees")

Employees are required to be aware of risks (including Health and Safety risks) that relate to their business units and how controls translate into procedures and activities. They must take responsibility for reporting risks and/or deficient controls to their managers in a timely manner.

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

2. Key principles and concepts

2.1 Identified Business Risks

There are a number of risks which are inherent to the business activities which the Company undertakes.

These risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the ARMC to conduct regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

2.2 Business Risk Management Policies and Practices

In order to properly identify and develop strategies and actions to manage business risks, the Company has put in place a business risk management framework based on the following key elements:

- (a) an Audit & Risk Management Committee which meets periodically to identify and assess specific risks. The Audit & Risk Management Committee should have a thorough understanding of the Company's activities and should be conversant with the Company's business plans, objectives and values;
- (b) an assessment of the potential impact of identified business risks and the likelihood of occurrence;
- (c) a ranking of the business risk in accordance with the likely impact on the Company;
- (d) an assessment of the acceptability of each identified risk;
- (e) a consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and
- (f) an assignment of the responsibilities for the management of each risk.

Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed.

The overall results of this assessment are presented to the Board, in oral and written form, at every Board meeting following an Audit & Risk Management Committee meeting by the Chair of the Audit & Risk Management Committee, and updated as needed.

2.3 Additional Risk Management Policies and Practices

In addition to the specific risk management process described in this Policy, the Company has the following procedures and practices which are designed to manage specific business risks:

- (a) an insurance program which is reviewed by the Audit & Risk Management Committee and by the Board;
- (b) regular budgeting and financial reporting;
- (c) the Company's business plan;
- (d) corporate strategy guidelines and procedures to review and approve the Company's strategic plans;
- (e) an approved Delegation of Authority Policy;
- (f) procedures/controls to manage financial exposures and operational risks;
- (g) procedures/controls to manage environmental and occupational health and safety matters;
- (h) oversight of the Company's financial affairs by the Audit & Risk Management Committee;
- (i) regular performance reporting enabling the identification of performance against targets and evaluation of trends;
- (j) a health and safety policy and management standards to ensure that the Company complies with its obligations and responsibilities in relation to health and safety, environmental issues, and the communities in which it operates; and
- (k) ongoing training and development programs.

Additionally, all other significant areas of the Company's operations are subject to regular reporting to the Board, including exploration, development, finance, legal, safety, environment, government and investor relations.

3. Other matters

3.1 Amendment of policy

This Policy can only be amended with the approval of the Board.

3.2 Adoption of Policy and Board review

This Policy was most recently adopted by the Board on 27 April 2023 and takes effect from that date and replaces any previous charter in this regard.

The Board and the Audit & Risk Management Committee must review and reassess this Policy at least once each calendar year. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to employees as appropriate.