



THE SECURITY REVOLUTION

RISK MANAGEMENT POLICY

Spectur Limited
ACN 140 151 579

Date Adopted: 26 April 2017

1. Preamble

- 1.1 The Board of Directors (**Board**) of Spectur Limited (ACN 140 151 579) (**Company**) recognises that risk management is an integral part of operating its business and is a continuous process demanding awareness and proactive measures to reduce the occurrence and impact of risk events.
- 1.2 The Company has established a Risk Management Policy (**Policy**) in order to:
- (a) provide a framework for identifying, assessing, monitoring and managing risk;
 - (b) communicate the roles and accountabilities of participants in the risk management system; and
 - (c) highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.

2. Role and responsibilities

The Company's Board of Directors (**Board**) is responsible for:

- (a) risk management and oversight of internal controls;
- (b) establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and
- (c) overseeing such procedures.

3. Risk management and internal control

The framework for the Policy and internal compliance includes the following key elements:

- (a) Oversight of the Company's financial affairs will be the responsibility of the Board.
- (b) All major expenditure on product and services development must first receive the approval of the Board.
- (c) The Company will adhere to a thorough due diligence process in relation to any proposed business relationship or asset acquisition.

- (d) The formulation of policies and procedures for development and protection of intellectual property rights, as well as protection of the Company's confidential information and trade secrets, is vital. The Board will ensure that systems are in place to protect and maintain the integrity of intellectual property rights, confidential information and trade secrets.
- (e) Management will continuously monitor and manage all issues related to politics, bureaucracy, non-government organisations, traditional owners, community attitudes, civil unrest, contractor and services availability, and adverse weather, which could endanger title or fulfilment of commitments.
- (f) The Company will monitor and manage all issues relating to occupational health and safety. All potential exposures to illness or injury will be managed.
- (g) The Company's computer systems will be regularly maintained for the protection of electronic records, including a comprehensive back-up routine involving off-site storage.

4. Risk analysis and evaluation

- 4.1 The Board will formulate a procedure for analysing and evaluating risk.
- 4.2 A risk evaluation will be carried out by senior management and communicated to the Board before the proposal is approved. Proposals regarded as significant may include:
 - (a) major fundraising activities;
 - (b) new business relationships;
 - (c) new product or service development activities;
 - (d) new acquisitions;
 - (e) operating in a new country;
 - (f) major capital procurement; and
 - (g) out-sourcing, partnering or shared service arrangements of functions.
- 4.3 The risk evaluation will be a document presented to the Board that:
 - (a) describes the internal and external risks;
 - (b) evaluates the impact of the risks; and
 - (c) includes any necessary risk management plan.
- 4.4 The risk management plan will identify each risk, define acceptable thresholds, and detail action to be taken in the event that these thresholds are exceeded.
- 4.5 Similar risk management plans may be created for ongoing operations (e.g. in a particular country or with a particular contractor).

5. Risk monitoring and review

- 5.1 If after consideration of the risk analysis the proposal is approved by the Board, senior management will monitor progress against the risk management plan and promptly report any material matters to the Board.

5.2 Monitoring the status of each risk and any necessary action plan relating to treatment of risk will take place on a regular basis. Any action or recommendations arising out of the review process will be implemented by management.

5.3 The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

6. Insurance

6.1 The Company will maintain a comprehensive suite of insurance policies, including the following:

- (a) product liability insurance;
- (b) general insurance, office asset insurance and public liability insurance;
- (c) workers' compensation insurance;
- (d) directors' and officers' indemnity insurance;
- (e) travel insurance; and
- (f) [other]

6.2 The Company's insurance policies will be reviewed on an annual basis.

7. Further information

7.1 The Company will publish this Policy on the Company's website: www.spectur.com.au.

7.2 If you have any questions or need further information in relation to this Policy, please contact the Company Secretary.