MANALTO LIMITED

[ACN 098 640 352]

RISK MANAGEMENT POLICY

1) Introduction

Manalto Limited (the **"Company"**) considers risk management fundamental to maintaining efficient and effective operations and generating and protecting Shareholder value. For the Company, the management and oversight of risk is an ongoing process integral to the management and corporate governance of the business.

2) Policy objectives and outcomes

a) The board of directors of the Company (**"Board"**) determines the Company's tolerance for risk and is committed to a risk management system that facilitates a culture of innovation. The Company's risk management system is designed to assist the Company to achieve its strategic and operational objectives. It aligns with the vision, strategy, processes, technology and governance of the Company and provides for:
   - i) Appropriate levels of risk taking;
   - ii) An effective system for the management of risk across the Company;
   - iii) Protection against incidents causing personal injury and property damage;
   - iv) Development of risk management and control plans to reduce or minimise unforeseen or unexpected costs;
   - v) An ability to identify, prioritise and respond to risk in a matter that maximises opportunities;
   - vi) Reliable financial reporting and compliance with laws, regulations and standards;
   - vii) Sound insurance management practice;
   - viii) Protection of assets from planned and unplanned events.

b) The risk management function is supported by the audit and risk management committee of the Board (**"Audit and Risk Committee"**) (or in the absence of an Audit and Risk Committee this function will be performed by the Board itself).

3) Key risk areas

The areas of potential risk to the Company include:

a) Operations;
b) Human resources;
c) Competition;
d) Regulatory (both domestic and international);
e) Equity prices

f) Intellectual property;
g) Technology;
h) Occupational health & safety;
i) Financial;
j) Strategic;
k) Reputational;
l) Legal;
m) Market share and/or size; and
n) Other company risks.

4) Risk tolerance level

The Company is aware that an overly cautious approach to risk management may have a harmful impact on the achievement of strategic and operational objectives. The Company will adopt a risk management strategy that aims to identify and minimise the potential for loss, while also maximising strategic opportunities for growth.

5) Roles and responsibilities

a) Board responsibility

The Board is responsible for the oversight of the risk management framework. This includes: policies and procedures related to risk management, risk profile, risk management and assessing the effectiveness of risk oversight and management.

b) Audit and Risk Committee

The Audit and Risk Committee is responsible (or in the absence of an Audit and Risk Committee this function will be performed by the Board itself) for advising the Board on risk management and compliance management and to assist the Board in fulfilling its risk management and oversight responsibilities relating to (among other matters):

i) The Company's risk profile and risk policy; and
ii) The effectiveness of the Company's risk management framework and supporting risk management systems.

Refer to the Audit and Risk Committee Charter for a detailed outline of the purpose and duties of the Audit and Risk Committee.

c) Senior Management

Members of the executive management of the Company (**"Senior Management"**) are responsible to ensure that systems, processes and controls are in place to minimise indentified risk to an acceptable level.

d) Employee responsibility

All employees must report any new risks or changes to existing risks to their managers or supervisors as soon as they become aware of the risk.

e) External auditor
The external auditor is responsible for providing an independent opinion of the financial results of the Company. In undertaking this role, the external auditor also provides comments on the management of risks and assists the Company in the identification of risk.

6) Reporting

a) Senior Management must report new risks or changes to existing risks to the Chief Executive Officer as soon as practicable after becoming aware of the risk.

b) The intended outcomes of the risk management programme include:
   i) The establishment of a robust risk management framework and internal control system that enhances the Company's ability to meet its strategic objectives;
   ii) Improved operating performance and reliable internal and external reporting;
   iii) Increased awareness and management of risk; and
   iv) Compliance with policies and procedures and applicable laws and regulations.

c) This policy will be reviewed at least annually by the Audit and Risk Committee to ensure its effectiveness, continued application and relevance. At the same time, the Audit and Risk Committee will also review the Company's general risk management framework to satisfy itself that it continues to be sound.