

XTEK LIMITED BOARD OF DIRECTORS CORPORATE GOVERNANCE POLICY

RISK MANAGEMENT POLICY

Prepared by	Reviewed by	Approved by
Laurie Gardiner	All Directors	Mark Stevens
Company Secretary	Board of Directors	Chairman of the Board
Date: 11 August 2022	Date: 24 August 2022	Date: 24 August 2022
	Reviewed at Board Meeting	

1. INTRODUCTION

- 1.1 XTEK Limited (**Company**) is a listed public company on the Australian Securities Exchange (ASX).
- 1.2 The Company recognises that as a public company listed on the ASX, it has obligations to shareholders to ensure that risks to the businesses are identified, evaluated, monitored, and managed to minimise losses and maximise opportunities.
- 1.3 The Company in meeting its obligations to risk management acknowledges that such actions provide the following benefits:
 - (a) assists in strategic planning
 - (b) provides better information for decision making
 - (c) reduces unexpected and costly disruptions to the business
 - (d) provides more effective and efficient allocation of resources
 - (e) produces better results from projects and programs
 - (f) mitigates potential safety and environmental risks
 - (g) reduces potential liability of the Company and its Board

2. RISK MANAGEMENT

- 2.1 The Risk Management Policy is the governing document that establishes the basis for embedding proactive risk management within the culture of the Company. The objectives of the policy are to:
 - (a) declare commitment to effective and efficient risk management practices that will support and enhance business activities in all areas of the Company
 - (b) ensure risk management is an integral part of all Company decision-making processes
 - (c) use a structured risk management process to minimise reasonably foreseeable disruption to operations, harm to people and damage to the environment and property
 - (d) identify and take advantage of opportunities as well as minimising adverse effects
 - (e) facilitate continual improvement within the Company
- 2.2 The Company is committed to ensuring the necessary resources are made available to ensure all aspects of the risk management processes can be carried out in an effective and timely manner.
- 2.3 In order to ensure that risk management is effective and continues to support the Company's performance, the Company will:
 - (a) measure risk management performance against indicators which are periodically reviewed for appropriateness
 - (b) periodically measure progress against, and deviation from, the risk management process
 - (c) review the effectiveness of the risk management framework

3. RESPONSIBILITIES

Board of Directors

- 3.1 The Board of Directors of the Company (the "Board"), through the Risk Management Committee is responsible for overseeing the establishment and implementation of Risk Management Framework and Processes. The Board will review the Risk Management Framework and this Risk Management Policy at least once a year.

Board Risk Management Committee

3.2 The Risk Management Committee assists the Board in monitoring:

- (a) corporate risks and internal controls
- (b) compliance with the Corporations Act 2001 and the Australian Securities Exchange Listing Rules
- (c) risks relating to business continuity, disaster recovery, reputation, and currency/interest rate exposures and

Group Chief Executive Officer

3.3 The Board has delegated responsibility for implementation of the Risk Management Policy to the Group Chief Executive Officer (GCEO). The GCEO will promote accountability for Risk Management to all XTEK stakeholders, including shareholders, management, staff, customers, suppliers, financiers, auditors, government, and the community. The GCEO shall report on Risk Management at all Board meetings.

Chief Financial Officer

3.4 The Chief Financial Officer (CFO) is responsible to ensure that a sound system of risk management and internal compliance and control systems are operating effectively in all material respects and underpin the integrity of the Company's financial reporting.

Business Unit Managers

3.5 Business Unit Managers are responsible for the risk management processes within their respective business units. They will report such risks and their respective management to the GCEO. Business Unit Managers may delegate, where applicable, day to day responsibility for compliance to specific staff e.g., WHS.

Supervisors and Employees

3.6 Supervisors and employees are encouraged to report and manage risks that are within their area of responsibility, including compliance with WHS policy and procedures.

Risk & Issues Management Committee

3.7 The Risk & Issues Management Committee shall consist of at least two XTEK Executive Managers, the Quality Manager and Business Unit Managers as appropriate. The Committee shall meet at least each quarter to review risk management across the Company.

4. CONFLICT OF INTEREST

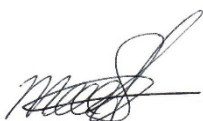
4.1 All Company employees or representatives are encouraged to regularly assess whether they have any conflicts of interest. In accordance, with the XTEK Code of Conduct Policy they must take reasonable steps to avoid situations where their other interest's conflict or could be perceived to conflict with their duties and responsibilities. All employees shall disclose any conflicts of interest to the MD, who where applicable, will inform the Board of Directors.

5. APPROVED AND ADOPTED

5.1 This policy was approved and adopted by the Board on 24th day of August 2022

Date: 24th day of August 2022

Signed:



Mark Stevens
Chairman of the Board of Directors
XTEK Limited