

Risk Management Policy

EXOPHARM LIMITED

ACN 163 765 991

Risk Management Policy

1 Purpose

Exopharm Limited (**Exopharm** or the **Company**) recognises that a proactive and efficient approach to risk management including the identification, assessment and mitigation of risks across the Company's business activities, is crucial for the business to achieve sustainable long-term growth and success and meet its strategic and operational objectives.

Risk management improves decision making, defines opportunities and mitigates material events that may impact stakeholder value.

2 Risk Management Framework

Recognising and managing risk are important roles for the Board and Senior Management.

The Board is responsible for the oversight of responsibilities relating to the integrity of the risk management system, internal reporting and controls, management of strategic and major financial, non-financial and operational risks.

The Board will review Exopharm's risk management framework to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite as set by the Board. This includes satisfying itself that the risk management framework deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, public health, sustainability and climate change.

Where required, the Board will direct Senior Management to undertake certain activities to deal with contemporary and emerging risks it identifies as being of concern.

3 Risk Identification, Management and Reporting

The Company faces risks inherent to its business, including economic, environmental and social risks, some of which may materially impact the Company's ability to create or preserve value for stake holders over the short, medium or long term.

The Company has in place policies and procedures, including a risk management framework, which is developed and updated to help manage these risks.

The Company has an Occupational Health and Safety Committee which regularly assesses and reports on problems affecting health, safety and welfare of employees and other people at work.

The Company has an IP Committee which regularly assesses and reports on the Company's intellectual property.

The Company also has a Cash Management Committee which regularly assesses and reports on the Company's authorisation and spending controls, expenditure levels and cash projections.

The Board is responsible for evaluating the adequacy and effectiveness of the identification

and management of economic, environmental and social risks and its disclosure of any material exposures and management of those risks. In doing so, the Board will have regard to disclosures of its peers.

Senior Management report risks to the Board through regular operations reports, and via direct and timely communication to the Board where and when applicable.

The Board is able to ask questions and seek answers in relation to risks and risk management.

The Company does not have an internal audit function.

4 Accountability

The Board has responsibility for ensuring that this policy is effectively implemented.

5 Review of Policy

This Risk Management Policy shall be reviewed periodically.

Version control and history:

Document owner	Company Secretary
Approved by	Board
Version 1	26 August 2021