



# Risk Management Policy

Vytas Resources Limited ("Company")

## Overview

In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. This Policy sets out the Company's risk management system and processes, and the Company's risk profile.

## Role of the Board and Delegated Responsibility

The Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board is responsible for setting the risk appetite for the Company after due consideration of the agreed Company strategy. Management will use the Board definition of risk appetite for the Company's system of risk management and internal control.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director / Chief Executive Officer, with the assistance of senior management, as required.

## Role of the Managing Director / Chief Executive Officer and Accountabilities

The Managing Director / Chief Executive Officer has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director / Chief Executive Officer is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company listed in this Policy are updated to reflect any material change.

The Managing Director / Chief Executive Officer is required to report on the progress of, and on all matters associated with, risk management as a standing item at each Board meeting. The Managing Director / Chief Executive Officer is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.

## Authority of the Managing Director / Chief Executive Officer

In fulfilling the duties of risk management, the Managing Director / Chief Executive Officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the approval of the Board.

## Risk Profile

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The risk profile of the Company can be categorised as follows:

- Strategic
- Operational
- Financial
- Organisational
- Compliance
- Technological
- Reputational

## Additional Policies and Practices

The Company maintains a number of policies and practices designed to manage specific business risks. These include:

- **Audit and Risk Committee and Audit and Risk Committee Charter**

The Company has formed a separate Audit and Risk Committee which has the role of, among other things, monitoring and reviewing the integrity of the financial reporting of the Company and any significant financial reporting judgments. It also reviews the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems. The role of the Audit and Risk Committee is set out in the Company's Audit and Risk Committee Charter.

- **Regular budgeting and financial reporting**

The Company has regular budgeting in place. It is the role of the Audit and Risk Committee (or its equivalent) to review the integrity of the financial reporting of the Company. The Audit and Risk Committee is to ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business.

- **Clear limits and authorities for expenditure levels**

The Company's Board Charter sets out Materiality Thresholds. These include quantitative and qualitative thresholds as well as triggers for the materiality of contracts.

- **Procedures for compliance with continuous disclosure obligations under the ASX Listing Rules and the Corporations Act**

The Company's *Compliance Procedures* have been designed for the purpose of ensuring the Company complies with its continuous disclosure obligations.

- **Procedures to assist with establishing and administering corporate governance systems and disclosure requirements**

The Company has adopted a Corporate Governance Manual which contains policies and procedures to assist the Company establish and maintain its governance practices.

## Responsibility to Stakeholders

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. Factors which affect the Company's continued good standing are included in the Company's Risk Profile.

## Continuous Improvement

The Company's risk management system is evolving. It is an on-going process and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities.