

# REVERSE CORP LIMITED (the "Company")

## RISK MANAGEMENT POLICY

### 1. Introduction

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Reverse Corp recognises that an effective risk management framework is an integral part of good corporate governance and its internal control systems. The identification and management of risk is an important step in delivering on the Company's objectives.

The purpose of this policy is to articulate the philosophy of the risk management framework, its objectives, and the accountabilities and responsibilities within the organisation to identify and manage risk across the organisation.

### 2. Policy Objectives

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- To ensure risk management and its framework is designed and implemented to augment the achievement of the corporate objectives
- Better identification of opportunities and threats
- Proactive management of those opportunities and threats
- To ensure that risk management is an essential element of the Company business procedures, processes and outcomes
- To establish responsibility and ownership of risk management by the Company employees, officers and the relevant Board committees
- Improved incident management and reduction in both loss and the cost of risk, including insurance premiums
- Improved corporate governance
- Improved compliance with relevant legislation

### 3. Roles and Responsibilities

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#### 3.1 Reverse Corp Limited Board

As per the Board Charter of Reverse Corp Limited the Board is responsible for identifying the principal risks of the Company and its business. The Board is also responsible for reviewing and ratifying the Company's system of internal compliance and control, its risk management and legal compliance in order to determine the integrity and effectiveness of those systems.

The Board is also responsible for evaluating the Company's compliance with its own, and best practice, corporate governance standards, and ensuring ethical behaviour and compliance with the Company's governing framework.

The Board is required to establish an Audit and Risk Committee and adopt the Charter for that Committee that sets out its membership requirements, responsibilities and reporting obligations. The establishment of the Audit and Risk Committee is to assist the Board in fulfilling its obligations in relation to risk management, but via reporting back to the Board from the Audit and Risk Committee the Board still retains its responsibilities for an effective risk management policy and framework being established.

### 3.2 Audit and Risk Committee

The Charter of the Audit and Risk Committee outlines its responsibilities in relation to risk management and corporate governance. These include:

- The assessment of accounting, financial and internal controls
- Compliance with laws and regulations
- Review of Company compliance systems
- Review and approve the Company's Risk Management Policy
- Review whether the risk management program is identifying all material areas of risk
- Review whether the level residual risk, once all effective risk mitigation has been considered, is acceptable to the Company

The Audit and Risk Committee is required to report to the Board, and as appropriate make recommendations in relation to the above responsibilities.

### 3.3 Executive Team and Risk Management Officer

The Risk Management Officer is the CFO and is responsible for the regular monitoring and review of risks in the organisation. The Risk Management Officer, in conjunction with the senior management team, will identify the financial and operational risks that the Company needs to manage. This is a continual process, and also includes a bi-annual risk matrix exercise to be undertaken by all senior managers. This includes updating and managing the risk reporting framework, and also making recommendations to the Audit and Risk Committee of any changes that are required to the Risk Management Policy.

The Risk Management Officer must report to the Audit and Risk Committee on a bi-annual basis, or more frequently if required. Due to the small senior management team this can be performed in a timely and responsive manner to enable the prompt identification and management of risk.

### 3.4 Employees

All employees are required to communicate to the Risk Management Officer, or their line manager, any real or perceived risks to the health, safety and working environment of themselves, customers or the general public. In addition, employees are also required to report to managers any real or perceived risk that may significantly affect the performance or reputation of the Company and its ability to achieve the Company objectives.

### 3.5 External Audit

As part of their audit process the external auditors review the internal controls of the Company that impact on the preparation of the Company Financial Statements and report these findings to the Audit and Risk Committee.

## **4. Review and Maintaining the Policy**

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This policy and its effectiveness are to be reviewed annually.