Techniche

Risk Management Framework

Approved 29 October 2009

1. Introduction

The effective identification and management of risk is critical to Techniche Limited ("the Company") and its subsidiaries (collectively "the Group") achieving its operational and strategic goals.

The Group recognises that managing threats and maximising opportunities will ensure that business objectives are met in the most effective way possible, leading to increased value for the business and its stakeholders.

The Group is committed to managing all risk in a proactive and effective manner. This requires high quality risk analysis at all levels within the organisation. Risk analysis is applied to all facets of the business at appropriate levels, following the principles outlined in this framework.

2. Objectives

This Framework describes the Group's risk and assurance systems and the supporting management disciplines in place. It explains the philosophy and structure required to recognise business improvement opportunities through the management of risk. The Group's Risk Management Framework is founded on a clear risk management philosophy and accountabilities driven by governance and operation.

3. Philosophy and System

General Principles

Better business outcomes are achieved by understanding and managing risks that threaten the Group's business objectives. The embedding of risk management systems into key business strategies, processes and projects assists in maximising shareholder value.

The management of risk does not equate to the elimination of risk. The Group's management of risk is based on normal business case criteria where the cost and benefits of implementing risk management strategies are weighed against business strategies to facilitate balanced decision making. Following the assessment of risks and their mitigation options, the risks may be accepted or tolerated. Where a residual risk exceeds the delegated authority of management, management's recommendation is referred to the Board either directly or via the Audit Committee.

Risk Management System

To support the operational effectiveness of the general principles and to apply a risk rating system so that resources can be appropriately allocated, the following risk management process has been adopted.

• Step 1: Assessment	Integrated and consistent evaluation of risk
• Step 2: Mitigation	Cost effective risk management initiatives
• Step 3: Assurance	Assurance aligned to the highest risks
• Step 4: Monitoring and Reporting	Escalation of major risks and consistent risk reporting

A risk rating system which provides parameters for the estimation of the **consequences** and **likelihood** of risks is maintained to support the risk assessment process and enable the consistent application of the general principles across the Group. Decisions as to the acceptance, avoidance and treatment of risk are driven by the ranking of risks under this system.

4. Governance

Oversight of the Company's Risk Management Framework is the responsibility of the Board.

The CEO is accountable for ensuring systems, procedures and controls are in place so that risks are managed to an acceptable level. Senior management assist the Managing Director to identify, assess, mitigate, monitor and report risk material to the Board.

Senior management is responsible for the application of the Group's risk management principles to ensure that the business operates within the overall Risk Management Framework.

Key roles of functions of the chain of governance include:

The Company's Board:

- oversight of the Risk Management Framework;
- approval of risk management philosophy, including risk appetite, tolerance, reporting systems and assurance process to determine effectiveness of internal controls;
- through the Managing Director:
  - maintain oversight of the strategic, operational and compliance risk and assurance systems;
  - recommend risk and assurance oversight and systems to the Board;
  - review all material strategic and operational risks and compliance matters and monitor the effectiveness of controls;
- through the Audit Committee:
  - maintain oversight of financial risks and audit systems;
  - evaluate key financial risks;
  - review and evaluate all material capital management finance and treasury risk management proposals; and
  - review all material financial risks and evaluate all material capital management, finance and treasury risk management proposals

CEO:

- establish the risk management philosophy and ensure it is implemented consistently through the business;
- ensure that appropriate resources are allocated to risk management within the business;
- ensure that appropriate and timely action is taken to address issues raised by senior management;
- ensure that appropriate systems, procedures and controls are in place so that risks are managed to an acceptable level; and
- ensure effective risk and assurance reporting exists against the highest rated risks.

Senior Management:

- application of the risk management philosophy;
- provide assurance on effectiveness of controls; and
- report outcomes of risk management programs.

5. Disclosure

The Board will make appropriate disclosure to shareholders in the Company's Annual Report of the key aspects of this Risk Management Framework.

This framework was adopted by the Techniche Limited Board on 29 October 2009 and revised on 25 January 2017.

The framework is also publicly available on the Company's website in a clearly marked Corporate Governance section.

Any questions relating to the interpretation of this framework should be forwarded to the Company Secretary.