

# **Risk Management Policy**

**Astro Diamond Mines NL**  
ACN 007 090 904

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## 1 Introduction

In managing risk, it is Astro Diamond Mines NL's (**Astro** or the **Company**) practice to take advantage of potential opportunities while managing potential adverse effects. This Policy sets out the Company's approach to risk.

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## 2 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.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director or equivalent, with the assistance of senior management, as required.

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## 3 Role of the Managing Director and Accountabilities

The Managing Director or equivalent has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director or equivalent 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 is updated to reflect any material change.

The Managing Director or equivalent 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 is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.

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## 4 Authority of the Managing Director

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

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## 5 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:

- Market-related
- Financial reporting

- Operational
- Environmental
- Human capital
- Sustainability
- Occupational Health & Safety
- Political
- Ethical conduct
- Economic cycle/marketing
- Reputation
- Legal and compliance.
- Technological

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## 6 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 Charter

The *Audit and Risk Committee Charter* sets out the role of the Audit and Risk Committee (or its equivalent) which includes, among other things, monitoring and reviewing the integrity of the financial reporting of the Company and any significant financial reporting judgements; and reviewing the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems.

- Regular budgeting and financial reporting

The Company has regular budgeting in place. It is the role of the Audit and Finance Committee (or its equivalent) to review the integrity of the financial reporting of the Company.

- 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 *Information Policy* has 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.

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## **7 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.

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## **8 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.