Risk Management Policy

Beam Communications Holdings Limited Policy No. 03

Date of Adoption:	**28 May 2015,**
	amended 2 September 2015,
	amended 28 January 2016,
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	amended 22 November 2018 (company name change).

BEAM COMMUNICATIONS HOLDINGS
Risk Management Policy

1. Objectives

(a) Since risk management is a complex and critical component of the Beam Communications Holdings Limited (**Company**)'s governance, the Company's Board (**Board**) has agreed to directly oversee and guide the detail of this topic. The CEO is charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated.

(b) Risk management is considered a key governance and management process. It is not an exercise merely to ensure regulatory compliance. Therefore, the primary objectives of the risk management system at the Company are to ensure:

(i) all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;

(ii) business decisions throughout the Company appropriately balance the risk and reward trade off;

(iii) regulatory compliance and integrity in reporting is achieved; and

(iv) senior management, the Board and investors understand the risk profile of the Company.

2. Audit Committee

(a) The Board will appoint an internal Audit Committee. The Committee should comprise of non-executive directors a majority of whom are independent directors. The Audit Committee will develop a Charter, make recommendations in relation to the adequacy of the Company's corporate reporting process, whether the Company's financial statements provide a true and fair view of the Company's financial position and information in relation to the Company's auditor appointment.

(b) The Company's CEO is charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated.

3. Components and Responsibilities

3.1 Components

In line with these objectives, the risk management system covers:

(a) Operations risk;

(b) Financial risk; and

(c) Compliance.

3.2 Responsibilities

(a) The Board reviews all major strategies and purchases for their impact on the risk facing the Company. The Company also undertakes an annual review of operations to update its risk profile. This normally occurs in conjunction with the strategic planning process.

(b) The Board receives a six monthly report on those areas of risk. In addition, as specified by Recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* 3rd edition, the CEO and CFO will provide a declaration that the financial statements reflect a sound system of risk management and internal control which is operating effectively.

(c) The Board will disclose whether the Company has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks.

4. Risk Profile

The Board of the Company has identified a range of specific risks that have the potential to have an adverse impact on its business. These include:

4.1 Operational Risk

(a) Employee health and safety

(b) Environmental risks

(c) Social Sustainability

(d) Insurance

(e) Litigation

(f) Business continuity

(g) Disaster recovery

(h) Key Man

(i) Intellectual property

4.2 Financial Risk

(a) Interest rate risk

(b) Credit risk

(c) Liquidity risk

(d) Exchange rate

4.3 Compliance Risk

Risks are assessed in line with their expected consequence or impact and the likelihood of occurrence and detailed action plans developed accordingly to monitor and manage the identified risks.