



**9 Spokes International Limited**  
**Risk Management Policy**

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## 1 Introduction

9 Spokes International Limited (**9Spokes**) and its subsidiaries (as applicable) (together **Group**) recognises that risk is present in all aspects of the business and that managing it effectively is essential in meeting the expectations of all shareholders, employees, customers, suppliers, regulators and societies in areas of operation.

In August 2020, the Board approved an enterprise risk management framework based on internationally recognised ISO guidelines for risk management (ISO 31000:2018).

## 2 Scope

- 2.1. This policy applies to all entities, directors, employees and persons managed by the Group in all areas of operation. It applies to all business units, including corporate, marketing and operations.
- 2.2. It covers all areas of risk, whether of economic or non-economic consequence.

## 3 Purpose

- 3.1. Recognising and managing risk is a crucial part of the role of the board and management.
- 3.2. The Group recognises its responsibility to manage risk in an effective and efficient manner as a fundamental component of business operations. The Group is committed to identifying and analysing risks associated with activities and operations with the objective of maintaining a safe workplace, minimising losses and maximising opportunities, developing appropriate risk treatment options, and informed decision-making.
- 3.3. Risks can be threats or opportunities and a failure to manage them is a significant danger to the Group's survival and growth. The purpose of this policy is also to communicate the Group's common and systematic approach to managing risk.

## 4 New enterprise risk management approach

- 4.1. The Group's enterprise risk management approach is implemented through the following policy framework:
  - 4.1.1. The Enterprise Risk Management Policy – this is a high-level document which outlines 9Spokes' approach to risk management based on internationally recognised ISO guidelines for risk management (ISO 31000:2018). The policy is used to manage all types of potential risks 9Spokes may face, such as operational risk, strategic risk, information security, brand risk and health and safety. As set out in this policy, one of the key objectives is to ensure decisions made within 9Spokes are aligned with 9Spokes' appetite for risk, are undertaken within approved risk tolerances, and executed with sufficient independent oversight.
  - 4.1.2. The Enterprise Risk Management Framework – this document sits under the Enterprise Risk Management Policy and sets out the procedures and guidelines for implementing the principles outlined in the Enterprise Risk Management Policy. It explains the various roles and responsibilities in relation to risk management within 9Spokes. It also sets out the risk management process, from risk identification, evaluation and treatment, through to monitoring and review;
  - 4.1.3. The Risk Appetite Statement – which sets the boundaries for the risks 9Spokes can tolerate in our activities. The Risk Appetite Statement sets out the level and types of risk that 9Spokes is willing to accept in pursuit of its strategic and operational objectives; and

4.1.4. Risk register – which is used to profile risks, monitor controls, and prioritise how risks are treated. The Risk Register ensures risks are assessed and reported in a standard way, consistent with our governance framework and consistent across the business.

## 5 Role of the Board and the Audit & Risk Committee

- 5.1. 9Spokes is publicly listed on the ASX. Risk management is an important element of corporate governance. The purpose of Principle 7 of the ASX Listing Rules is to ensure appropriate disclosure and communication to stakeholders on matters of risk and that the collective corporate mind of the Company is focused on effectively managing material business risks.
- 5.2. As set out in the Board Charter, the Board of 9Spokes has ultimate responsibility for the identification of significant business risks. The Board is assisted in discharging this function by the Audit & Risk Committee, which needs to be comfortable with the processes used by Management to monitor and mitigate major risks affecting the different parts of the business.
- 5.3. Risk reporting is to the Audit & Risk Committee quarterly.

## 6 Roles and responsibilities

- 6.1. All staff members are responsible for the effective management of risk, including the identification of potential risks.
- 6.2. The detailed roles and responsibilities associated with this policy and associated procedures are detailed in the Enterprise Risk Management Framework.

## 7 Audit function

- 7.1. **Financial Audit** – 9Spokes is audited by external financial auditors appointed with shareholder approval at the AGM (annually there is both a review and an external audit).
- 7.2. **Information Security Management Systems (ISMS)** – 9Spokes has internationally recognised ISO 27001:2013 accreditation for its ISMS. 9Spokes is subject to both an internal audit twice yearly and an annual external audit of its ISMS.

## 8 Audit function

- 8.1. *As set out in Group's Environmental & Social Governance Policy*, 9Spokes does not have any material exposure to environmental risks.
- 8.2. Social risks are addressed in accordance with Group's Environmental & Social Governance Policy and various other corporate governance policies referenced in that document (including the Code of Conduct, Whistleblower Policy and Diversity Policy).

## 9 External reference

- 9.1. This Policy and the associated procedures have been drafted taking into account current best practice, ISO 31000:2018: Risk Management, ASX Corporate Governance Principles and Recommendations, including Principle 7: Recognise and Manage Risk.

## 10 Core principles

10.1. The Group's risk management framework is built on a foundation that includes:

- 10.1.1. awareness and commitment to a single mission, common objectives, shared values and a Code of Conduct that is reviewed and renewed periodically;
- 10.1.2. human resources practices intended to recruit, train and retain people with the required specialist skills;
- 10.1.3. delegation of responsibility throughout the Group and accountability for outcomes;
- 10.1.4. control processes including structured management reporting, links to strategic and business planning processes, a system of independent review and Board oversight; and
- 10.1.5. an operational philosophy that seeks to anticipate and mitigate risks in their relevant context before they occur and that reflects on the lessons learned when problems arise.

## 11 Commitment

11.1. The Group is committed to:

- 11.1.1. providing appropriate resources to develop and maintain an effective risk management framework;
- 11.1.2. developing, reviewing and clearly documenting processes and guidelines for the implementation of this policy;
- 11.1.3. establishing and monitoring performance against annual approved strategic KPIs; and
- 11.1.4. undertaking risk reviews and internal audits on a periodic basis.

## 12 Implementation

12.1. This policy will be implemented in a way that ensures:

- 12.1.1. compliance with relevant legislative requirements, national and international standards, protocols, and prevailing community standards of best practice;
- 12.1.2. activities are both compliant with, and complementary to, any of the policies within the Group;
- 12.1.3. transparency of risks and associated actions and treatments to relevant levels of Group management, including the Group's Audit and Risk Committee; and
- 12.1.4. compliance with a formal, documented risk management process.

## 13 Risk tolerance

13.1. The Board is responsible for determining the nature and extent of the significant risks it is willing to take or accept or tolerate in achieving its strategic objectives and the conduct of its business activities.

13.2. The risk appetite is translated into risk tolerances which are determined by establishing target control levels and target residual risk ratings for each identified risk. The decision can then be made

to accept/tolerate the resulting residual risk level or implement treatment plans or strategies in addition to those already underway or planned to reduce the risk exposure.

13.3. The risk tolerances are set out in the Risk Appetite Statement.

## 14 Definitions

The following definitions are used throughout this Policy:

**Senior Management:**

Chief Executive Officer and his/her direct reports including General Counsel and Finance Manager.