



Risk Management Policy - Ardiden Limited

Approved by the Board with effect 14 March 2023

Revision history

Rev.	Issued	Description	Prepared	Approved by Board
1.1		Annual Review	Robson	14/3/23
1.0		Review	Robson	23/9/21
0	6/8/20	Policy created		6/8/20

1. Introduction

The Board considers it important to establish a system of risk management and internal compliance and control (Risk Management System) in order to:

- Achieve the Company's strategic objectives and goals;
- Safeguard the assets and interest of the Company;
- Ensure the accuracy and integrity of its financial reporting;
- Consider the importance of considering risks in its decision making process; and
- Assure stakeholders that risks are being effectively managed.

2. Purpose

The purpose of this Policy is to:

- encourage an appropriate level of risk tolerance throughout the Company;
- establish appropriate risk delegations and corresponding risk management framework across the Company; and,
- ensure the Company has a risk management framework that can measurably react should the risk profile of the Company change.

3. Responsibilities

The Board is responsible for determining the company's risk appetite and tolerance, identifying areas of significant business risks, and ensuring that arrangements are in place to adequately manage those risks. The Board is responsible for satisfying itself annually that the system of risk management and internal controls is sound and is operating adequately.

Management is responsible for identifying specific risks and the implementation of mitigating controls over those risks. The Managing Director is responsible to the board for ensuring that the risk management system is maintained in accordance with this policy. In conjunction with the Managing Director, the Company Secretary is responsible for the implementation and continuous program of risk assessment including those procedures necessary to provide assurance to the board that the risk management and internal control system is operating effectively to reduce financial reporting risks.

4. Risk Appetite

A critical element of the Company's risk management framework is the Risk Appetite established by the Board. Risk Appetite is defined as the extent of willingness to take risks in pursuit of the Company's business objectives.

The key determinants of risk appetite are as follows:

- (i) shareholder and investor preferences;
- (ii) expected business performance (return on capital);
- (iii) the capital needed to support risk taking;

- (iv) the culture of the organisation;
- (v) management experience along with risk and control skills; and,
- (vi) longer term strategic priorities.

5. Review

The Audit and Risk Committee reviews this policy at least annually and reports to the Board any changes it considers should be made. This policy may only be amended by resolution of the Board.

This policy is available on the Company's website and the key features are published in the annual report.