

RISK MANAGEMENT POLICY



TINYBEANS GROUP LTD

ACN 168 481 614

February 2017



WHITTENS & McKEOUGH
LAWYERS AND CONSULTANTS

Office Address:
Level 29, 201 Elizabeth Street
Sydney NSW 2000
All correspondence to:
PO Box A2621
Sydney South NSW 1235
Tel: (02) 8072 1400

1 INTRODUCTION

Tinybeans Group Ltd (**Company**) considers risk management fundamental to maintaining efficient and effective operations and generating and protecting shareholder value. For the Company, the management and oversight of risk is an ongoing process integral to the management and corporate governance of the business.

2 POLICY OBJECTIVES AND OUTCOMES

The board of directors of the Company (**Board**) determines the Company's tolerance for risk and is committed to a risk management system that facilitates a culture of innovation. The Company's risk management system is designed to assist the Company to achieve its strategic and operational objectives. It aligns with the vision, strategy, processes, technology and governance of the Company and provides for:

- (a) appropriate levels of risk taking;
- (b) an effective system for the management of risk across the Company;
- (c) protection against incidents causing personal injury and property damage;
- (d) development of risk management and control plans to reduce or minimise unforeseen or unexpected costs;
- (e) an ability to identify, prioritise and respond to risk in a manner that maximises opportunities;
- (f) reliable financial reporting and compliance with laws, regulations and standards;
- (g) sound insurance management practice; and
- (h) protection of assets from planned and unplanned events.

3 KEY RISK AREAS

The areas of potential risk to the Company include:

- (a) operations;
- (b) human resources;
- (c) competition;
- (d) regulatory (both domestic and international);
- (e) equity prices;
- (f) intellectual property;
- (g) technology;
- (h) occupational health & safety;
- (i) financial;
- (j) strategic;
- (k) reputational;
- (l) legal;
- (m) market share and/or size; and
- (n) other company risks.

4 RISK TOLERANCE LEVEL

The Company is aware that an overly cautious approach to risk management may have a harmful impact on the achievement of strategic and operational objectives. The Company will adopt a risk management strategy that aims to identify and minimise the potential for loss, while also maximising strategic opportunities for growth.

5 ROLES AND RESPONSIBILITIES

(a) Board responsibility

The Board is responsible for the oversight of the risk management framework. This includes: policies and procedures related to risk management, risk profile, risk management and assessing the effectiveness of risk oversight and management.

(b) Senior Management

Members of the executive management of the Company (**Senior Management**) are responsible to ensure that systems, processes and controls are in place to minimise identified risk to an acceptable level.

(c) Employee responsibility

All employees must report any new risks or changes to existing risks to their managers or supervisors as soon as they become aware of the risk.

(d) External auditor

The external auditor is responsible for providing an independent opinion of the financial results of the Company. In undertaking this role, the external auditor also provides comments on the management of risk and assists the Company in the identification of risk.

6 REPORTING

6.1 Senior Management must report new risks or changes to existing risks to the Chief Financial Officer as soon as practicable after becoming aware of the risk.

6.2 The intended outcomes of the risk management programme include:

- (a) the establishment of a robust risk management framework and internal control system that enhances the Company's ability to meet its strategic objectives;
- (b) improved operating performance and reliable internal and external reporting;
- (c) increased awareness and management of risk; and
- (d) compliance with policies and procedures and applicable laws and regulations.

6.3 This policy will be reviewed at least annually by the Board to ensure its effectiveness, continued application and relevance. At the same time, the Board will also review the Company's general risk management framework to satisfy itself that it continues to be sound.