

Risk Management Policy

dorsaVi Limited

ACN 129 742 409

Risk management policy

1. Summary of risk management policies

dorsaVi Limited (“dorsaVi”) views effective risk management as key to achieving and maintaining its operational and strategic objectives.

2. Risk oversight

Board

The dorsaVi Board is responsible for reviewing and ratifying the risk management framework, including its risk appetite, structure, processes and guidelines which are developed and maintained by management. The active identification of risks and implementation of mitigation measures is the responsibility of management.

The Audit and Risk Committee or management may also refer particular risk management issues to the Board for final consideration and direction.

Audit and Risk Committee

To assist the Board in discharging its responsibility in relation to risk management, the Board has delegated certain activities to the Audit and Risk Committee.

The objectives of the Audit and Risk Committee include:

- promoting a culture of compliance;
- providing a forum for communication between the board and senior financial and compliance management; and
- reviewing management’s risk mitigation strategies/plans in relation to the material risks faced by dorsaVi and their execution.

To achieve these objectives, the responsibilities of the Audit and Risk Committee in relation to risk management and internal compliance and control systems, include:

- overseeing the establishment and implementation of risk management and internal compliance and control systems;
- receiving reports from management concerning the Group’s material risks and as to how those material risks are being managed;

Further detail in relation to the responsibilities of the Audit and Risk Committee are contained in the Committee’s charter which is available at www.dorsavi.com

3. Role of management

dorsaVi's management is responsible for designing and implementing a risk management framework that identifies all material risks and appropriate mitigation strategies and associated monitoring systems to ensure that internal compliance and control systems provide dorsaVi with warnings of risks before they escalate. Management should ensure that each risk be assigned to a relevant employee who is accountable for each of the risk mitigation strategies and their execution.

Management should regularly monitor and evaluate the effectiveness of the processes and risk plans and the performance of employees in implementing them.

All employees are responsible for implementing, managing and monitoring the processes and risk plans with respect to material business risks, as appropriate.

4. Risk identification

dorsaVi has identified what it regards as the major risks which may materially and adversely affect the future operating and/or financial position of the company. A broad range of risks have been identified. Specific risks which have been identified include, but are not limited to, the following:

- strategic risk
- technological risk
- intellectual property risk
- manufacturing and product quality risk
- supplier risk
- funding risk
- key personnel risk
- financial risk

5. Review of risk management

The division of responsibility between the Board, Audit and Risk Committee, and management aims to ensure that specific responsibilities for risk management are clearly communicated and understood.

The reporting obligations of management ensure that the Audit and Risk Committee and Board are regularly informed of material risk management issues and actions.

When considering the Audit and Risk Committee's review of financial reports, the Board is scheduled to receive a written statement, signed by the Chief Executive Officer, and the Chief Financial Officer (or equivalent), that the company's financial reports give a true and fair view, in all material respects, of the company's financial position and comply in all material respects with relevant accounting standards. This statement also confirms that the company's financial reports are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

Similarly in reviewing risk management reports, the Board is scheduled to receive in a separate written statement from the Chief Executive Officer, confirmation that the company's risk management and internal control systems are operating effectively in relation to material business risks for the period, and that nothing has occurred since period-end that would materially change the position.

This Risk Management Policy was approved by the Board on 30 October 2013.