



RISK MANAGEMENT POLICY

1. INTRODUCTION

- 1.1 This policy sets out Newfield Resources Limited's (**Company**) system of risk oversight, management of material business risks and internal control.
- 1.2 The Company recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company.
- 1.3 The Board determines the Company's "risk profile" and is responsible for establishing, overseeing and approving the Company's risk management framework, strategy and policies, internal compliance and internal control. The Audit and Risk Committee (**Committee**) is responsible for implementing the risk management system.
- 1.4 A copy of this policy is available on the Company's website: <https://newfieldresources.com.au>.
- 1.5 To the extent practicable, the Company has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition) (**Recommendations**).

2. PURPOSE

- 2.1 The purpose of this policy is to:
 - a. encourage an appropriate level of risk tolerance throughout the Company;
 - b. establish procedures to analyse risks within agreed parameters across the Company;
 - c. establish appropriate risk delegations and corresponding risk management framework across the Company; and
 - d. ensure the Company has a risk management framework that can measurably react should the risk profile of the Company change.
- 2.2 The Committee is responsible for submitting particular matters to the Board for its consideration and approval. Among other things, the Committee will:
 - a. oversee and periodically review the Company's risk management framework, systems, practices and procedures to ensure effective risk identification and management and compliance with the risk appetite set by the Board, internal guidelines and external requirements;
 - b. assist management to determine whether it has any material exposure to environmental or social risks;
 - c. consider whether the Company has a material exposure to climate change risk;
 - d. assist management to determine the key risks to the businesses and prioritise work to manage those risks;
 - e. assess whether the Company is required to publish an integrated report or a sustainability report (as those terms are defined in the Recommendations in accordance with a recognised international standard); and
 - f. review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

3. RISK MANAGEMENT FRAMEWORK

- 3.1 The Company believes that risk should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to allow the Company to manage its risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met.

- 3.2 The Company's approach to risk management is summarised below:
- a. identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
 - b. formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
 - c. monitoring the performance and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.
- 3.3 To this end, comprehensive practises are in place that are directed towards achieving the following objectives:
- a. compliance with applicable laws and regulations;
 - b. preparation of reliable published financial information;
 - c. verifying the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions; and
 - d. implementation of risk transfer strategies where appropriate (e.g. insurance).
- 3.4 Financial reporting
- a. When considering the Committee's review of financial reports, the Board receives a written statement, signed by the Managing Director and Chief Financial Officer (or equivalents), 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.
 - b. Similarly, in a separate written statement the Managing Director (or equivalent) and the Chairman of the Committee also confirm to the Board 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.

4. RISK OVERSIGHT

- 4.1 The Board will review assessments of the effectiveness of risk management and internal compliance and control at least annually.
- 4.2 The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report, at least annually, to the Committee.

5. DISCLOSURE

- 5.1 The Company must disclose at least annually whether the Board (or a committee of the Board) has completed a review of the Company's risk management framework to satisfy itself that the framework:
- a. continues to be sound;
 - b. ensures that the Company is operating with due regard to the risk appetite set by the Board; and
 - c. deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.
- 5.2 The Company will disclose if it has any material exposure to environmental, climate or social risks and, if it does, how it manages, or intends to manage, those risks.

6. REVIEW OF POLICY

- 6.1 The Board will review this policy from time to time to ensure it remains consistent with the Board's objectives and responsibilities.

7. PUBLICATION OF POLICY

7.1 This policy will be available on the Company's website and the key features will be published in the annual report.

Version control

18 April 2012	First adoption
23 April 2021	Review and update to be consistent with the 4 th Edition