RISK MANAGEMENT POLICY

1 Purpose

1.1 The purpose of this policy is to assist in the development of organisational capabilities in risk management.

1.2 This Risk Management Policy forms part of the internal control and corporate governance arrangements of DTI Group Ltd ("DTI" or "Company") and its controlled entities ("Group").

1.3 The Board recognises the importance of identifying and controlling risks to ensure that they do not have a negative impact on the Company.

2 Benefits of Risk Management and Internal Control Procedures

2.1 Some of the benefits identified in establishing and maintaining risk management procedures are as follows:

(a) increased knowledge and understanding of exposure to risk

(b) more effective strategic planning

(c) improved cost control

(d) a systematic, well informed and thorough method of decision-making

(e) better utilisation of resources

(f) a strengthening of culture for continued improvement

(g) creation of best practices to improve the quality of the Group.

3 Objectives

3.1 The objectives of this policy are to:

(a) provide a structural risk management framework that will provide senior management and the Board with the comfort that the risks confronting the Group are being identified and managed effectively

(b) create an integrated risk management process owned and managed by DTI personnel that is both continuous and effective

(c) ensure that the management of risk is integrated into the development of strategic and business plans

(d) enhance shareholder value by minimising losses and maximising opportunities.

3.2 This policy defines the key risk terminology, outlines the risk management process and documents the roles and responsibilities of the Board; and other key personnel.

4 Definitions

The Company has adopted the following definitions on "Risk Management":

Consequence	The outcome of an event expressed either in financial terms or qualitatively being a loss, injury, disadvantage or gain.
Likelihood	The possibility of an event happening.
Risk	The chance of something happening that will have an impact upon objectives. It is measured in terms of a combination of the consequences of an event and likelihood. This impact can have an adverse impact on the Company's strategic and operational objectives; however, it can also highlight areas of prospective opportunities.
Risk Assessment	The overall process of risk analysis and risk evaluation.
Risk Analysis	A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.
Risk Evaluation	The process used to determine risk management priorities by comparing the level of risk against target risk levels or other criteria.
Risk Management	The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects. Risk management aims to minimise loss.

5 Risk Management

Risk management is an integral part of the Company's strategic planning, business planning and investment/project appraisal procedures. The focus of risk management is the identification and treatment of risks with the objective to add maximum sustainable value to all the activities of the Group.

6 Risk Management Framework

The risk management framework involves the following processes:

(a) **Risk identification**

Risk identification sets out to identify an organisation's exposure to uncertainty. Risks will be classified under the following broad categories: operational, information systems, financial, strategic, economic, environmental, social sustainability and compliance risks.

(b) **Risk analysis (before existing controls)**

Risk analysis involves consideration of the sources of risk, their consequences and the likelihood that those consequences may occur.

(c) **Determine existing controls**

The existing systems and procedures to control risk are identified and their effectiveness is assessed.

(d) **Consequences and likelihood of risk (after existing controls)**

The impact and likelihood of an event and its associated consequences are assessed in the context of the existing controls.

(e) **Risk evaluation**

Risk evaluation involves comparing the level of risk found during the analysis process against risk thresholds. These thresholds will be established in the policy guidelines. The output of the risk evaluation is a prioritised list of risks for further action.

If the resulting risks fall into the **low** or **acceptable** risk categories, they may be accepted with minimal further treatment. Low and accepted risk should be monitored and periodically reviewed to ensure they remain acceptable. If risks do not fall into the low or acceptable risk category, they should be treated using one or more of the options considered in clause (f) below.

(f) **Risk treatment**

Risk treatment involves identifying the range of options for treating risk, assessing those options, preparing risk treatment plans and implementing them. Options include avoiding the risk, reducing the likelihood of the occurrence, reducing the consequences, transferring the risk, and retaining the risk. The action plans adopted will be documented and its implementation tracked as part of the reporting process.

(g) **Monitoring and reviewing**

Few risks remain static. Risks will be continuously monitored and reviewed, and the effectiveness of the controls in place and of the risk action plans is assessed to ensure changing circumstances do not alter risk priorities.

Feedback on the implementation and the effectiveness of the policy will be obtained from the risk reporting process, internal reviews and other available information.

7 Roles and Responsibilities

7.1 The Board is ultimately responsible for the risk management and internal control framework of the Company.

7.2 The Board shall regularly review the effectiveness of the risk management and internal control framework.

7.3 The Board will review and discuss strategic risks and opportunities arising from changes in the Company's business environment regularly and on an as needs basis.

7.4 The Board has overall responsibility for the process.

7.5 The Board has not delegated any of its responsibilities to a Committee of the Board.. ..

7.6 The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to report back to the

Board on the efficiency and effectiveness of risk management.

8 Review of Policy

This policy shall be reviewed by the Company on a regular basis and if required be amended or reviewed to suit the requirements of the Company and adherence to the corporate governance principles.

LAST REVIEWED: June 2018