



# NetComm Wireless

## **RISK MANAGEMENT POLICY**

### **1. RISK OVERSIGHT**

The Board is responsible for approving and reviewing NetComm Wireless Operational Risk Management strategy and policy. The management of operational risk and the implementation of mitigation measures is the responsibility of management.

On an annual basis the Board considers the significant business risks applicable to the business and ongoing operations. Additionally, the Board considers risk profiles as part of the annual strategy review and budget planning review.

Due to the small number of board members the activities normally undertaken by separate board committees relating to audit and risk as well as remuneration and nomination activities are directly dealt with by the Board.

The Board has delegated various authorities to the Managing Director to enable the setting of the policy and procedures to assist with the management of the NetComm Wireless risk profile.

The Board is also responsible for exercising due care, diligence and skill in relation to NetComm Wireless in the areas of:-

- integrity of NetComm Wireless financial and external reporting;
- external auditor's activities, scope and independence;
- management processes for the identification of significant business risks and exposures and reviewing and assessing the adequacy of management information and internal control structures; and
- whether NetComm Wireless is adequately managing risk relating to corporate governance and is maintaining appropriate controls against conflicts of interest and fraud.

The Board will overview management's application of the ASX Corporate Governance Council Guidelines in respect of Financial Reporting and Risk oversight.

### **2. RISK PROFILE & MANAGEMENT OF RISKS**

NetComm Wireless regards business risks as “threats to the achievement of NetComm Wireless objectives and goals and to the successful execution of its strategies, including threats of bad things happening and good things not happening.”

NetComm Wireless Operational risk management framework is based on the Australian/New Zealand Standard (AS/NZS 4360:1999) for risk management.

### **3. COMPLIANCE & CONTROL / ASSESSMENT OF EFFECTIVENESS**

The Board has responsibility for overseeing management’s processes and results in identifying, assessing and monitoring risks associated with NetComm Wireless business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risks.

In doing so, the Board considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of the external Auditor’s reports to management on internal controls and action taken or proposed resulting from those reports.

The risk management and internal control systems within NetComm Wireless encompass all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that:

- established corporate and business strategies and objectives are achieved;
- risk exposure is identified and adequately monitored and managed;
- resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out NetComm Wireless business;
- significant financial, managerial and operating information is accurate, relevant, timely and reliable; and
- there is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.