

SUCCESS RESOURCES GLOBAL LIMITED (SGU or the Company)

RISK MANAGEMENT POLICY

1. INTRODUCTION

SGU and all its related bodies corporate are committed to ensuring that:

1. its culture, processes and structures facilitate realisation of SGU's business objectives whilst risks are recognised, monitored and wherever possible, mitigated;
2. to the extent practicable, its systems of risk oversight, management and internal control complies with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

The objective of this Policy is to:

- encourage appropriate tolerance of risks across SGU;
- establish procedures to analyse risks within agreed parameters across SGU;
- establish appropriate risk delegations and corresponding frameworks across SGU; and
- ensure SGU has in place a risk framework which can measurably react should the risk profile of the Group.

Risks governed by this Policy include potential risks and this Policy extends to both SGU's financial and operating risks, where the context permits.

2. RISK MANAGEMENT FRAMEWORK

SGU believes that risk should be managed and monitored on a continuous basis. SGU has designed a framework to allow the Company achieve its business objectives whilst assisting management and ideally, providing early warnings of risks.

Key components of the Policy which bring together a number of procedures and controls within SGU are as follows:

- Identification and assessment of all risks.
- Monitoring and wherever possible, mitigation, of identified risks.
- Periodic reporting.
- Assessment of effectiveness of risk management framework.

Each component is considered in turn below.

2.1 Identification and assessment of all risks

Each Senior Manager is responsible for the continual identification and subsequent reporting by all employees of risks within their specific SGU Business unit.

All identified risks will be assessed by the Chief Financial Officer (CFO) in accordance with AS/NZS 4360:2004 and recorded on the SGU Risk Register. The SGU Risk Register will record, among other things:

- a description of the risk;
- the "owner" of the risk;
- the 'rating' attaching to the risk;
- proposed actions and actions taken to mitigate or lessen any exposure; and
- details as to when the risk was identified and when it was last reviewed.

2.2 Monitoring and mitigation of identified risks

Risks which have been recorded on the Risk Register should be continually, but as a minimum periodically, reviewed by the Board (see Item 2.3 below). Wherever necessary, following a review, the Risk Register should be updated.

Mitigated risks should also be recorded on the Risk Register with appropriate pre-cautions from reoccurrence communicated across SGU.

2.3 Periodic reporting

The Board is responsible for governance oversights, including overall risk management.

On a quarterly basis, the Board will review the Risk Register (or an extract thereof). All newly identified 'material' business risks are to be considered by the Board.

2.4 Assessment of effectiveness of risk management framework

In accordance with its Charter, the Board of Directors are responsible for, among other things, ensuring that effective risk management programs are in place to protect SGU's assets and shareholder value.

SGU's risk framework promotes a robust structure so that all risks are appropriately identified, assessed, monitored and mitigated wherever possible, across SGU. Assessment of all aspects of the risk framework by the Board should take place on an annual basis (at a minimum).

In addition, all Directors and Senior Management, should promote a culture of voluntary and transparent risk reporting and ongoing, regular risk assessment throughout all levels of SGU.

3. SPECIFIC RISK FRAMEWORK TOOLS

As part of the risk framework, the following guidance is given with respect to certain commonly identified risks.

3.1 Financial risks

3.1.1 Financial Delegations

As part of the risk framework, SGU's processes include:

- a financial delegations policy, differentiating between budgeted and non-budgeted items and between capital and operational expenditure, across various managerial levels;
- procedures for approving amounts within and under delegation; and
- procedures for reporting to the Board of Directors those amounts (over material thresholds) approved under delegation.

3.1.2 Insurance

As part of the risk framework, SGU's processes include:

- procedures with respect to insurance renewals; and
- procedures with respect to the introduction of new insurances.

3.1.3 Taxation

As part of the risk framework, SGU's processes include procedures to ensure SGU is compliant with the relevant taxation legislation.

3.1.4 Treasury

As part of the risk framework, SGU's processes include procedures to monitor, analyse and assess the impact of:

- interest rates
- foreign exchange rates
- any other key economic metric,

on SGU's Business.

3.2 Operational risks

3.2.1 Workplace

As part of the SGU risk framework, the SGU Board has approved complementary policies so that SGU can provide a working environment that is safe and without risks to health.

3.2.2 Personnel

As part of the risk framework, the Board of Directors has approved an overarching remuneration framework, the design of which ensures that the level and composition of remuneration is competitive, reasonable and appropriate for SGU's results delivered and to attract and maintain talented and motivated directors and employees.

3.2.3 Legal

As part of the risk framework, legal matters may be referred the CFO who arranges for external advice to be received, if required.

3.2.4 Strategic

As part of the risk framework, processes include procedures to monitor, analyse and assess the impact of workplace, personnel, legal and strategic and manage those risks accordingly.

3.3 Environmental, social and corporate governance risks

As part of the risk framework, processes include procedures to monitor, analyse and assess the impact of, economic, environmental and social sustainability risk.