Risk Management Policy

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Experience Co Limited

ACN 167 320 470

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1.   INTRODUCTION

Skydive the Beach Group Limited and its subsidiaries (Group) recognises that risk is present in all aspects of the business and that managing it effectively is essential in meeting the expectations of all shareholders, employees, customers, suppliers, regulators and societies in areas of operation.

2.   PURPOSE

2.1   The management of risk is an essential and integral part of managing all aspects of a company to increase the likelihood of continued survival and success. This policy sets out the key elements of the Group's Risk Management Policy to communicate a clear understanding of the principles behind the Group Risk Management Framework.

2.2   The Group recognises its responsibility to manage risk in an effective and efficient manner as a fundamental component of business operations. The Group is committed to identifying and analysing risks associated with activities and operations with the objective of maintaining a safe workplace, minimising losses and maximising opportunities, developing appropriate risk treatment options, and informed decision-making.

2.3   Risks can be threats or opportunities and a failure to manage them is a significant danger to Group survival and growth. The purpose of this policy is also to communicate the Group's common and systematic approach to managing risk.

3.   SCOPE

3.1   This policy applies to all entities, directors, employees and persons managed by the Group in all areas of operation. It applies to all levels of business including corporate, construction, marketing and operations.

3.2   It covers all areas of risk whether of economic or non-economic consequence.

4.   GENERALROLESANDRESPONSIBILITIES

4.1   All staff members are responsible for the effective management of risk, including the identification of potential risks.

4.2   Senior Management has the responsibility and authority for the development of risk mitigation plans and the implementation of risk reduction strategies in the activities of their respective areas.

4.3   Strategic oversight of the organisation's approach to risk management is vested with the Audit and Risk Committee. The Committee is to report to the Board at least annually on the adequacy of the Risk Management Policy.

4.4   The Group Board has the primary responsibility for risk management and for setting the organisation's risk appetite.

5.   SPECIFICROLESANDRESPONSIBILITIES

5.1   The detailed roles and responsibilities associated with this policy and associated procedures are detailed in the Risk Management Procedure.

6. EXTERNAL REFERENCE

6.1 This Policy and the associated procedures have been drafted taking into account current best practice, AS/NZS ISO 31000:2009: Risk Management – Principles and Guidelines and ASX Principle 7: Recognise and Manage Risk.

7. GROUP RISK MANAGEMENT FRAMEWORK

7.1 This Policy, together with the following documents, forms the Group Risk Management Framework:

(a) Risk Management Register – this register specifies the approach, the management components (i.e. the procedures, practices, assignment of responsibilities, sequence and timing of activities) and resources to be applied to the management of risk. For Group, the key focus in the Risk Management Register is on planned activities and the timeframe for delivery of accountabilities.

(b) Risk Management Procedure – this procedure outlines the processes and controls that are to be in place to ensure that the risks are adequately identified, assessed, documented, measured, mitigated and monitored.

8. CORE PRINCIPLES

8.1 The Group's Risk Management is built on a foundation that includes:

(a) Awareness and commitment to a single mission, common objectives, shared values and a Code of Conduct that is reviewed and renewed periodically;

(b) Human resources practices intended to recruit, train and retain people with the required specialist skills;

(c) Delegation of responsibility throughout the Group and accountability for outcomes;

(d) Control processes including structured management reporting, links to strategic and business planning processes, a system of independent review and Board oversight; and

(e) an operational philosophy that seeks to anticipate and mitigate risks in their relevant context before they occur and that reflects on the lessons learned when problems arise.

9. COMMITMENT

9.1 The Group is committed to:

(a) Providing appropriate resources to develop and maintain an effective risk management framework;

(b) Developing, reviewing and clearly documenting processes and guidelines for the implementation of this Policy;

(c) Establishing and monitoring performance against annual approved strategic KPIs;

(d) Undertaking risk reviews and internal audits on a periodic basis.

10. IMPLEMENTATION

10.1 This Policy will be implemented in a way that ensures:

(a) Compliance with relevant legislative requirements, national and international standards, protocols, and prevailing community standards of best practice;

(b) Activities are both compliant with, and complementary to, any of the policies within the Group;

(c) Transparency of risks and associated actions and treatments to relevant levels of the Group management, including the Group Audit and Risk Committee; and

(d) Compliance with a formal risk management process.

11. RISK TOLERANCE

11.1 The Group Board is responsible for determining the nature and extent of the significant risks it is willing to take or accept or tolerate in achieving its strategic objectives and the conduct of its business activities.

11.2 The risk appetite is translated into risk tolerances which are determined by establishing target control levels and target residual risk ratings for each identified risk. The decision can then be made to accept/tolerate the resulting residual risk level or implement treatment plans or strategies in addition to those already underway or planned to reduce the risk exposure.

12. DEFINITIONS

The following definitions are used throughout this Policy:

Term	Definition
Group	Skydive the Beach Group Limited and all controlled or otherwise managed entities
Group Risk Management Framework	The policies, procedures and processes that make up a Risk Management Framework and defined under clause 7.1.
Senior Management	Managing Director, Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, Company Secretary & General Counsel