BORESIGHT

RISK MANANGEMENT POLICY

VERSION 1.0

08 APRIL 2026

Risk Management Policy

1 Applicability

This policy applies to all directors, officers, employees, consultants and contractors (**Personnel**) of Boresight Ltd ABN 40 642 501 228 (**Company**).

All Personnel are responsible for the effective application of the policy.

A copy of this policy is made available on the Company's website. Risk management training or awareness sessions will be held from time to time, as required.

2 Purpose and objectives

Recognising and managing risk is a crucial part of the role of the directors of the Company (**Board**) and management. The Company recognises that a failure by it to recognise or manage risk can adversely impact not only the Company and its shareholders, but also other stakeholders.

The Company's risk tolerance is defined by the Board and is consistent with the Company's strategy.

This policy sets out the Company's approach to risk management, including its approach to identifying and managing risk, the responsibilities of the Board, management and others within the Company in relation to risk management, and the resources and processes dedicated to risk management. Managing risk is the responsibility of everyone in the Company.

While the chief executive function of the Company is performed by the full Board, the full board will delegate responsibility for designing and implementing the Company's risk management framework and ensuring that the Company operates within the risk appetite set by the Board to an Executive Director. In this policy, that director is referred to as the **Executive Director – Risk**.

In this policy:

management refers to the senior management team as distinct from the Board, comprising the Company's senior executives, being those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.

risk means effect of uncertainty on objectives[1];

risk management means co-ordinated activities to direct and control the Company with regard to risk[2];

risk management framework is the set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Company[3].

[1] As defined in Australian/New Zealand Standard AS/NZS ISO 31000:2018 *Risk management – Principles and guidelines*

[2] As defined in Australian/New Zealand Standard AS/NZS ISO 31000:2018 *Risk management – Principles and guidelines*

[3] As defined in Australian/New Zealand Standard AS/NZS ISO 31000:2018 *Risk management – Principles and guidelines*

3 Risk management framework

The following framework references the Australian/New Zealand Standard AS/NZS ISO 31000:2018 Risk management – Principles and guidelines and involves:

3.1 Risk identification

The risks faced by the Company will be identified and documented in a risk register. Risk identification will be undertaken as part of the Company's strategic planning and budgeting process and may be carried out through a workshop with management and potentially the board, facilitated by an external service provider or by a member of management.

The Company's activities give rise to a range of risks which are considered under the categories included in the Company's risk register

3.2 Risk analysis

Once the list of risks is agreed on by management and the Board, the risks will be analysed by determining consequences of the risks eventuating and their likelihood. Existing risk controls and their effectiveness (as perceived by management) should be taken into account when considering how likely the risk event is to occur and the impact/consequences it will have on the business.

Risk prioritisation will be undertaken at the same time as risk identification and will be considered in light of a risk matrix.

3.3 Risk evaluation

Prioritised risk should be compared with the risk appetite established by the Board. The output of this process will be a prioritised list of risks for further action.

3.4 Risk treatment

Where the level of risk is accepted, the risks will be monitored. Where the level of risk is above the desired level, management will develop and execute an action plan to address the risk by either: transferring the risk; reducing the risk or accepting the risk or a combination of these approaches. When selecting the manner in which a risk will be treated, the Company will consider the values and perceptions of stakeholders and the most appropriate ways to communicate with them.

3.5 Monitoring and review

The risk register will be reviewed, and if required updated, on at least a bi-annual basis, or more often if required.

Risk is a standing agenda item at scheduled Board meetings.

The risk management framework will be monitored and reviewed through the risk activities outlined in the Appendix. However, the Board may request independent verification in relation to all or some of the risk management framework or individual controls, via internal or external means.

3.6 Documentation

The risk management framework and processes will be documented.

4 Roles and responsibilities

4.1 Executive Director – Risk

The Executive Director – Risk is responsible for designing and implementing the Company's risk management framework and ensuring that the Company operates within the risk appetite set by the Board.

The Executive Director – Risk is required to:

(a) report to the Board on all matters associated with risk management, as required;

(b) report to the Board as to the effectiveness of the Company's management of its material business risks at least annually;

(c) review and update the Company's risk register and present the register to the Board on at least a bi-annual basis;

(d) provide to the Board (together with the Chief Financial Officer or equivalent and any other person who performs the chief executive function for the Company) with a declaration in accordance with Recommendation 4.2 and section 295A of the Corporations Act (**Declaration**) before it approves the annual and half-year financial statements;

(e) prepare the disclosure in relation to Recommendations 7.1, 7.2, 7.3 and 7.4 of the Principles and Recommendations for inclusion in the Company's corporate governance statement prepared in accordance with ASX Listing Rule 4.10.3; and

(f) review this policy and make recommendations to the Board about any proposed changes.

In fulfilling the duties of risk management, the Executive Director – Risk may have unrestricted access to the Company's employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Chairman.

4.2 Board

The Board is ultimately responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives.

The Board is responsible for:

(a) setting the Company's risk appetite and providing input into the Company's risk profile;

(b) overseeing the risk management framework designed and implemented by management, noting updates to the risk register and questioning management, if required;

(c) noting the Declaration before it approves the Company's annual and half-year financial statements;

(d) approving changes to this policy; and

(e) reviewing the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

4.3 Management

Senior executives are responsible for assisting the Executive Director – Risk design and implement the Company's risk management framework and ensuring that the Company operates within the risk appetite set by the Board.

Management will seek assistance from managers and other employees as required.

4.4 Other Personnel

All Personnel across the Company are responsible for observing the Company's policies, procedures, delegations and minimising risks to the Company at all times.

5 Review

The Board will review this Risk Management Policy at least annually and update it as required.