

## Summary - Risk Management Policy

Data#3 Limited ABN 31 010 545 267

Data#3 is committed to ensuring that risk management practices are embedded into all business processes and operations in order to drive effective and accountable decision making and management practice.

### Oversight and Accountabilities

The Data#3 board is responsible for approval of the risk management policy; oversight of the adequacy of the risk management and internal control system; ensuring shareholders are informed in a timely manner of any material changes to Data#3's risk profile; and review of the effectiveness of the system on at least an annual basis.

To assist the board in discharging its responsibilities in relation to risk management, it has established an audit and risk committee. This committee has the responsibility for considering executive management's presentations regarding risk management framework and processes, along with the implementation and maintenance of policies and control procedures to give adequate protection against material business risks. The audit and risk committee is assisted by Legal and Risk Advisory Services (LARA), whose function is to provide objective assessments of the internal controls, risk management and the compliance framework. The committee considers reports from LARA regarding the appropriateness and effectiveness of these functions.

Additionally, in reviewing risk management reports, in a separate written statement the Managing Director and CEO, CFO and General Counsel also confirm to the board that the company's risk management and internal control systems are operating effectively in relation to material business risks for the period, and that nothing has occurred since period end that would materially change the position.

### Risk Management Policy and Appetite Statement

The board has adopted a Risk Management Policy that sets out Data#3's objectives for risk management and clearly articulates the responsibilities of all Data#3 personnel in relation to the management of financial and non-financial risks. Data#3 has also adopted a Statement of Risk Appetite, which is approved by the Board and overseen by the audit & risk committee.

### Risk Profile

As a leading Australian IT services and solutions provider, Data#3 Limited is focused on helping customers solve complex business challenges using innovative technology solutions. Built on a foundation of over 40 years' experience, combined with world-leading vendor technologies, Data#3 delivers an integrated array of solutions spanning cloud, mobility, security, data & analytics and connectivity. These technology solutions are delivered by combining Data#3's services across consulting, project services and support services. Data#3's operations are based predominantly in Australia. Data#3 has a solid financial position with little or no debt. Over 50% of Data#3's annual revenues are underpinned by medium and long term contracts with customers with whom Data#3 enjoys long standing relationships. Data#3 believes that finding the right balance between risk and reward enhances our profitability, business performance and enables us to better leverage our assets.

### Risk Framework

Data#3 is committed to a comprehensive and effective risk management framework consistent with AS/NZ ISO 31000. With this framework forming an integral part of our strategic business planning and corporate governance processes, Data#3 is well placed to understand and effectively manage risk to provide greater certainty and confidence to our shareholders, customers, suppliers, employees and other stakeholders. This framework is consistent with the recommendations set out in Principle 7 of the ASX's Corporate Governance Principles and Recommendations 4<sup>th</sup> edition.

Risks and controls are managed by Data#3 on an enterprise-wide basis and are identified, analysed, evaluated and prioritised in a consistent manner utilising an internally developed risk management system. From the board through to individual employees, each person has a role to assist in the management of these risks and controls, and all are supplied with risk management guidelines and training.

The framework is managed by Data#3's LARA function. In performing this role, LARA provides assistance to members of the senior leadership team. LARA has full, free and unrestricted access to all records, documentation and physical property of the Data#3 group as may be required to fulfil its responsibilities. LARA maintains a risk register database, summarising all material risks and actions proposed to effectively manage and control identified risks.

In addition to daily management of business activities, the senior leadership team and other corporate service teams and cross line of business management system workgroups are responsible for ensuring that: i) all business risks are identified as far as is reasonably foreseeable; ii) each risk is appropriately assessed in terms of likelihood and consequence (at both inherent and residual levels); iii) each operational preventative and corrective control is assessed for its effectiveness; and vi) all material business risks are monitored on at least a six-month basis. Each risk will be evaluated to determine whether the level of risk is acceptable or unacceptable against the Data#3 risk matrix and also prioritised having regard to those posing the greatest potential for organisational impact. It is recognised that not all risks are within the reasonable control of Data#3.

Risk awareness and Data#3's tolerance for risk are key considerations in our decision making. The outcomes of each risk profile are aggregated into an overall Data#3 risk report, which includes assessment by business unit and risk category, for reporting to the Chief Executive Officer / Managing Director, the audit and risk committee and

the Data#3 board.

Data#3 understands that risk events have the potential to adversely impact on financial performance, the efficient utilisation of scarce resources, reputation, regulation and legal & compliance, business continuity, the health and safety of our people and the environment. In the short to medium term, Data#3 does not consider that it has material exposure to environmental or social risk.

The risk management system addresses the material business risks of Data#3, including:

<b>Classification</b>	<b>Material Business Risk</b>
<b>Health, Safety and Environment</b>	Health and Safety of staff & working environments (including Pandemic)
<b>Strategic</b>	Market demand for ICT products and services Changes in customers' ICT procurement models Key vendor channel strategy, supply chain and customer engagement models Effective positioning of Data#3's solutions in the market Identification of ICT industry opportunities Competitor activity
<b>Human Resources</b>	Attraction and retention of key personnel Quality and skill of the senior leadership team
<b>Customer Success / Solutions</b>	Delivery of customer solutions within agreed expectations
<b>Financial Management</b>	Business processes and operations
<b>Reputational</b>	Ethical conduct and reputation
<b>IT &amp; Cyber Security</b>	Information Security, including cyber-risk resilience Internal information technology systems and processes
<b>Compliance</b>	Legal & compliance

Data#3 Limited is also a Quality Certified Company to AS/NZS ISO9001:2015.

Certification to ISO 9001:2015 is location specific. Data#3 has certified locations in Brisbane, Sydney, Melbourne, Canberra, Adelaide, Hobart and Perth. Data#3 Limited is also an Information Security Management certified business to ISO 27001:2013 (IPT and Managed Services).