

RISK MANAGEMENT POLICY

Purpose

Weebit Nano Limited ('Weebit') ('the Company') recognises that the effective management of risks is a fundamental component of good corporate governance and is vital for the company's continued growth and success. Weebit is committed to risk management to ensure its corporate governance responsibilities are met and its strategic goals are realised. This policy aims to embed risk management into the culture and work practices of Weebit to improve decision making in order to maximise opportunities and better manage uncertainty.

Risk management should align to the company strategy, be embedded within its operations, processes and systems, have clear accountability, ownership and governance, be systematic, transparent and consistently applied. It should include effective consultation and communication, consider the context (both the internal and external environment), support evidence based decision-making and facilitate continued improvement. It improves decision-making, defines opportunities and mitigates material exposure to economic, environmental and social sustainability risks that may impact shareholder value and other stakeholders.

This policy defines the following key terms:

Risk is defined as the chance of a future event or situation happening that will have an impact upon company's objective favourably or unfavourably. It is measured in terms of consequence and likelihood.

Risk Management encompasses risk assessment plus the evaluation of risks against established tolerances, their treatment and monitoring.

Who does this policy apply to?

This policy applies to all directors on the Board of the Company, as well as officers, employees, contractors and consultants of the Company.

Risk Management Principles

Weebit's approach to risk management is aligned with our core values of Innovation, Transparency, Total commitment to our customers and partners and Diversity. Our values underpin the risk management principles upon which our policy is based, and which are fundamental to creating and protecting value in order to deliver a satisfactory return to shareholders.

Risk Management Process

In order to manage risk, Weebit as an organisation will:

- Implement a standard Group-wide approach to risk management;
- Implement a structured and consistent process for identifying, assessing and managing business risks and opportunities;
- Comply with all applicable laws, licensing and government regulations applicable to our business activities;
- Promote a culture that accepts both good and bad news, encourages personal responsibility and expects proactive identification and management of risks and opportunities;
- Monitor and report on risk management performance measures; and,
- The responsibility for complying with this Policy rests with all of us.

Responsibilities

Risk Management responsibilities and accountabilities are assigned as appropriate and Weebit commits to ensuring the necessary resources are made available to ensure risks are effectively managed and controls are adequate and effective.

The Board is ultimately responsible for identifying and assessing the nature and extent of internal and external risks that may impact Weebit in achieving its strategic objectives. The Board is responsible for determining the company's risk appetite, overseeing the development and implementation of the Risk Management Framework and maintaining an adequate monitoring and reporting mechanism.

Management must develop a sustainable control environment to manage significant risks and champion the implementation of risk management processes within their business operations.

Management monitor and report on material risks identified through the internal and external audit process.

Reporting

In line with Principle 4 of the ASX Corporate Governance Principles and Recommendations (Fourth Edition) and the Corporations Act 2001 (Cth), the Chief Executive Officer and the Chief Financial Officer provide a declaration to the Board that, in their opinion, the financial records of Weebit have been properly maintained and give a true and fair view of the Company's financial position and performance.

The declaration will state that the opinion of the Chief Executive Officer and the Chief Financial Officer has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Review

The Board will review the Risk Management Policy at least annually to confirm its effectiveness and whether any changes are required.