

RISK MANAGEMENT POLICY

Neolixir Ltd
ACN 654 969 310

Date Adopted: 18th December 2024

1. Preamble

1.1 The Board of Directors (**Board**) of Lixa Pty Ltd (ACN 654 969 310) (“Lixa” or “Company”) recognises that risk management is an integral part of operating its business and is a continuous process demanding awareness and proactive measures to reduce the occurrence and impact of risk events.

1.2 The Company has established a Risk Management Policy (**Policy**) in order to:

- (a) provide a framework for identifying, assessing, monitoring and managing risk;
- (b) communicate the roles and accountabilities of participants in the risk management system; and
- (c) highlight the status of risks to which the Company is exposed, including any material changes to the Company’s risk profile.

2. Scope

This policy applies to all employees, contractors, partners, and board members. It covers all activities, operations, and projects undertaken by the company.

3. Policy Statement

The Company is committed to proactive risk management as an integral part of its operations. By embedding risk management into all levels of decision-making, we aim to:

- (a) Ensure compliance with Australian and international regulations.
- (b) Protect intellectual property and sensitive data.
- (c) Minimize financial, operational, and reputational risks.
- (d) Enhance innovation while managing potential safety and ethical concerns.

4. Risk Management Framework

Oversee that management designs and implements an appropriate and effective risk management framework which:

- (i) aims to identify, protect against, detect, respond to and recover from risks and to review and improve that framework;
- (ii) includes risks relevant to the Company;
- (iii) adequately deals with contemporary and emerging risks; and
- (iv) is developed and reviewed with input from the internal and external auditor, compliance staff and other experts and consultants as relevant and in light of relevant standards and industry guidance.

4.1 Risk Identification

Risks will be identified across the following categories:

- (a) Regulatory compliance
- (b) Research and development (R&D)
- (c) Intellectual property protection
- (d) Data security and privacy
- (e) Financial stability
- (f) Operational disruptions
- (g) Ethical considerations and public perception
- (h) Health, safety, and environmental impact

4.2 Risk Assessment

Identified risks will be assessed based on their likelihood and impact using a standardized risk matrix. The following ratings will be assigned:

- Low: Minor impact, unlikely occurrence.
- Medium: Moderate impact, possible occurrence.
- High: Significant impact, probable occurrence.
- Critical: Severe impact, imminent occurrence.

4.3 Risk Control and Mitigation

Appropriate strategies will be employed to manage risks:

- Avoid: Discontinue activities with unacceptable risks.
- Mitigate: Implement controls to reduce the likelihood or impact.
- Transfer: Use insurance or contractual agreements to shift risks.
- Accept: Proceed with informed acknowledgment of the risk.

4.4 Risk Monitoring and Reporting

- Regular risk reviews will be conducted quarterly and as required for specific projects.
- An annual risk report will be presented to the Board of Directors.

5. Roles and Responsibilities

5.1 Board of Directors

- (a) Approve the risk management framework and ensure alignment with strategic objectives.
- (b) Review and oversee key risk exposures.
- (c) Develop and update the risk management framework.
- (d) Monitor the implementation of risk controls.
- (e) Undertake regular risk assessments.
- (f) Set risk appetite of the Company.

5.2 Management

- (a) Identify and manage risks within their areas of responsibility.
- (b) Ensure team members understand and comply with the risk management policy.

5.3 Employees

- (a) Report identified risks and potential issues.
- (b) Comply with established controls and procedures.

6. Regulatory Compliance

The Company commits to meeting all relevant regulatory and statutory requirements that exist within the jurisdictions it operates

7. Continuous Improvement

Risk management processes will be continuously reviewed and improved to reflect changes in the business environment, emerging risks, and advancements in biotechnology.

8. Training and Awareness

All employees and relevant stakeholders will receive training on the risk management policy and their roles in managing risks. Ongoing education will be provided to adapt to regulatory updates and technological advancements.

9. Policy Review

This policy will be reviewed annually by the Board and updated as needed to ensure its effectiveness.

10. Approval

This Risk Management Policy is approved by the Board of Directors on 18th December 2024