

Integrated Payment Technologies Limited

ACN 611 202 414

ClickSuper Pty Limited

ABN: 97 813 401 424 AFSL No 337 805

Risk Management Summary

Dated June 2019

1. Introduction

Integrated Payment Technologies Limited ACN 611 202 414 (the 'Company') is the holding company of several companies, including ClickSuper Pty Limited ABN 97 813 401 424 ('ClickSuper') and Payment Adviser Pty Limited ABN 48 122 693 985 ('Payment Adviser').

ClickSuper is the holder of Australian Financial Services Licence No 337805 and Payment Adviser is a corporate authorised representative of ClickSuper.

The Company and its controlled companies together are referred to as the Group in this Policy.

The Group provide information reporting and payment processing services to clients, including the operation of a non-cash payment facility.

2. Board's view on risk

The Board of Directors of the Company (the 'Board') believes that management of risk is an integral part of good business management and corporate governance and is a continual process.

'Risk' is defined as the chance of something happening that will have an impact on the objectives of the Company. Risk may have a positive or negative impact¹.

The Board defines risk management to be the identification and management of those risks that could adversely impact the Company. Such risks may be strategic, technological, financial, legal, contractual and operational.

The Board is aware that there is a measure of risk inherent in all activities undertaken by the Group and that it cannot be completely eliminated.

'Every business takes risks to operate and grow, and needs to manage those risks to do so. Risk management is not about eliminating risk. It is about controlling risks to increase the likelihood of meeting business objectives.'²

3. Responsibilities

The Board is responsible for:

- ensuring the Company has effective systems in place to identify, assess, monitor and manage risks to the Group;
- informing stakeholders of any material change to the risk profile of the Company (in accordance with the Company's disclosure obligations); and
- ensuring internal controls and arrangements are adequate for monitoring compliance with laws and regulations, as applicable to the Group.

To assist them, the Board has established:

- an Audit, Risk & Compliance Committee, which operates in consideration of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

¹ AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines

² CP 204: Risk management systems for responsible entities

- reporting mechanisms from management responsible for the operations of the Group (as part of the Group's Risk Management Framework); and
- a certification process for the preparation and release of the Company's annual financial reports.

4. Audit, Risk & Compliance Committee

The Audit, Risk & Compliance Committee assists the Board with its responsibilities relating to risk management, control systems, reporting practices, and ensuring the independence of the Company's external auditors.

The Audit, Risk & Compliance Committee is comprised of three members. It is chaired by the independent Non-executive Director.

The Audit, Risk & Compliance Committee operates in accordance with a Charter, which outlines its structure and responsibilities.

Under its Charter, the Audit, Risk & Compliance Committee is required to review the Risk Management Framework at least annually to seek assurance it is both sound and effective.

5. Risk Management Framework

The Group has implemented a Risk Management Framework based on the standard³ which comprises:

- a systematic process for the identification, assessment, treatment and monitoring of risks;
- risk profiles which describes the risks facing the business activities within the Group and the key controls surrounding those risks;
- consultation to ensure personnel are involved with the development and maintenance of risk profiles;
- integrated risk management in decision-making and operational practices; and
- training to improve management and staff's awareness of risks and management techniques.

Risks are analysed in the context of the Board's strategic objectives and attitude to risk. The risk profile is maintained for the Group which describes the risks (financial and non-financial) facing the Group and the key controls facing those risks. The risk profile is reviewed at least annually by management, and presented to the Audit, Risk & Compliance Committee.

The Chief Executive Officer is responsible for the co-ordination and continued improvement of the Framework. The Framework is reviewed annually, with results reported to the Company's Audit, Risk & Compliance Committee.

The Group also has the following in place to ensure a strong control environment:

- organisational structure and defined management responsibilities;
- delegated limits of authority;
- appropriate policies and procedures, available to and understood by personnel;

³ AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines

- regular internal review; and
- a business recovery plan, aimed at preventing significant disruptions to the business.

6. Certification Process for Financial Reports

Prior to the Board approving the Company's end of financial year financial reports the Chief Executive Officer and the Chief Financial Officer provide the following certifications to the Board, (as are relevant):

- the Company's financial records have been properly maintained in accordance with section 286 of the Corporations Act 2001 (Cth) (the 'Act');
- the financial statements, and notes referred to in section 295(3)(b) of the Act comply with the accounting standards;
- the financial statements and notes give a true and fair view (section 297 of the Act);
- any other matters that are prescribed by the Corporations Regulations 2001 (Cth) in relation to the financial statements and the notes are satisfied;
- the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board;
- the Company's risk management and internal compliance and control system is operating effectively; and
- the risk management and internal compliance and control systems have been designed and implemented to manage the Company's material business risks; and
- statements made to the auditor in the representation are true.