

## **Risk Management Policy**

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control processes. It is responsible for implementing the Company's risk management system. Among other things it will:

- a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- b) Assist management to determine the key risks to the businesses and prioritise work to manage those risks;
- c) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- a) Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- b) Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- c) Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practices are in place that are directed towards achieving the following objectives:

- a) Compliance with applicable laws and regulations.
- b) Preparation of reliable published financial information.
- c) Implementation of risk transfer strategies where appropriate e.g. insurance.

The Board has delegated specific functions in relation to Risk Management to the Audit and Risk Committee. Given the size of the Company and the Board, the Board currently acts as the Audit and Risk Committee.

The Audit and Risk Committee's specific function with respect to risk management is to review and report to the Board that:

- (a) the Company's ongoing risk management program effectively identifies all areas of potential risk;
- (b) adequate policies and procedures have been designed and implemented to manage identified risks; and
- (c) proper remedial action is undertaken to redress areas of weakness.

The following are intended to form part of the normal procedures for the Committee's risk responsibility:

- (d) evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks;
- (e) evaluating the adequacy and effectiveness of the Company's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors;
- (f) evaluating the structure and adequacy of Imugene's own insurances on an annual basis;
- (g) reviewing and making recommendations on the strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies;
- (h) overseeing the establishment and maintenance of processes to ensure that there is:
  - (i) an adequate system of internal control, management of business risks and safeguard of assets; and
  - (ii) a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control;
- (i) evaluating the Company's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
- (j) reviewing the Company's main corporate governance practices for completeness and accuracy;
- (k) overseeing the proper evaluation of the adequacy and effectiveness of the Company's legal compliance control systems; and
- (l) providing recommendations as to the propriety of related party transactions.