

RISK MANAGEMENT, INTERNAL COMPLIANCE AND CONTROL POLICY

1. General Principles

The Board of Botanix Pharmaceuticals Limited (**Company**) is responsible for:

- (a) setting the Company's Risk Management Framework; and
- (b) satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Responsibility for control and risk management is delegated to the appropriate level of management with the Company with the Chief Executive Officer having responsibility for identifying, assessing, monitoring and managing risks.

The Company is committed to managing risk to protect its people, the environment, the Company's assets and reputation as well as realise opportunities. This system helps the Company to operate effectively and efficiently, achieve business objectives, ensure reliable reporting and comply with applicable laws and regulations.

2. Implementation of Policy

The Board implements this policy by:

- (a) overseeing the establishment and implementation of the risk management system; and
- (b) reviewing the effectiveness of the Company's implementation of that system;.

Management, via the Chief Executive Officer implements this policy by:

- (a) establishing and implementing a system for identifying, assessing, monitoring and managing material risk throughout the Company. This system includes the Company's internal compliance and control systems;
- (b) providing a system of ongoing risk review that is capable of responding promptly to new and evolving risks;
- (c) monitoring the effectiveness of the system of risk and internal control management;
- (d) designing, resourcing, operating and monitoring internal control systems;
- (e) where appropriate, and with prior approval of the Board, seek external advice in relation to the identification, assessment, monitoring or management of risk;

- (f) ensuring that a risk-based approach to internal control is communicated to our people and embedded in business processes;
- (g) assigning accountability for managing risks within agreed boundaries; and
- (h) periodically reporting the results of balanced assessments regarding the effectiveness of the risk-based internal control system, including identified weaknesses or incidents.

3. Review Risk management Framework

The Board will review the Company's risk management framework at least on an annual basis to ensure it continues to be sound and appropriate for the Company's size and level of operation.

4. Management Confirmation as to Integrity of Financial Reporting

The Company's Chief Executive Officer and Chief Financial Officer (or equivalent) provide an assurance to the Board that:

- (a) the financial records of the Company have been properly maintained;
- (b) the consolidated financial statements of the Company and its controlled entity for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- (c) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (d) the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

5. Auditor Attendance at Annual General Meeting

The Company's ensure that the auditor's lead engagement partner (or their delegate) is present at the Annual General Meeting to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.