



**GLOBE INTERNATIONAL LIMITED (“GLOBE”)  
SUMMARY OF RISK MANAGEMENT POLICIES**

In accordance with the recommendations of the Australian Securities Exchange’s principles of good corporate governance, Globe is committed to the identification of material business risks associated with its business activities and has established various policies to embed in its management and reporting systems. These include:

***Financial risk management***

Globe has in place policies and procedures for the management of various financial risks and treasury operations including exposures to foreign currency movements. (See note 1 of the 2020 Financial Statements for a summary of these policies)

***Capital risk management***

Globe’s primary objectives when managing capital are to safeguard its ability to continue as a going concern, while providing reasonable returns to shareholders. Accordingly, Globe is constantly balancing these competing forces to determine the most appropriate mix of keeping cash within the business to minimise borrowings, versus returning cash to shareholders in the form of dividends. Globe’s core strategies to manage these factors includes linking borrowings facilities to working capital balances (receivables, inventory or payables) to ensure that borrowings are limited to short-term working capital needs; and linking dividends paid to a certain proportion of net profits earned (based on a pre-determined range).

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to pay down debt or return capital to shareholders.

***Social and ethical risks***

Globe has in place policies and procedures to manage social and ethical risks, including a code of conduct that requires everyone who works for Globe and acts on its behalf to observe the highest standard of conduct and ethical behaviour and a Social Responsibility Framework (see page 41 of the 2020 Annual Report) which sets out our values with regards to the environment, our people (our staff and those in our supply chain) and our community.

***Sustainability risks***

Globe’s management continuously review Globe’s exposure to sustainability risks. In relation to FY2020, Globe is of the opinion that it does not have a material exposure to sustainability risks due to the nature of its activities, products and size of the business.

***Budgeting systems***

Globe’s budgeting systems enable the regular monitoring of progress against performance targets and the evaluation of trends to enable management to take remedial action as and when necessary.

***Internal control policies***

Globe has in place internal control policies to manage material business risks that arise in specific areas of its operations such as cash management, inventory management, credit control, foreign currency cover, approval of senior executive expenditure and IT risk management and user access controls.

### ***Comprehensive insurance program***

Globe has in place a comprehensive insurance program that is reviewed by management annually in consultation with specialist insurance brokers. This program covers Globe for various material business risks including public and products liability, business interruption, business travel, workmen compensation, marine cargo and industrial special risks.

### ***Directors' due diligence questionnaire to management***

On an annual basis, management is required to report to the Board through a questionnaire in relation to the effective management of material business risks that arise during the course of the year.

### ***Risk Management Framework***

On an annual basis the Board reviews Globe's overall risk management framework to satisfy itself that management is appropriately addressing and reassessing the material business risks, in line with the risk appetite set by the Board. During FY2020, there were substantial changes to business operations due to the onset of the COVID-19 pandemic. The Board was regularly involved in the process of assessing and addressing the risks as they arose. An assessment of these COVID-19 specific material business risks was included in the FY2020 Directors Report, on page 47 of the Annual Report.

### ***CEO and CFO sign offs***

On an annual and semi-annual basis, the CEO and CFO certify to the Board that:

- The Company's financial reports are complete and present a true and fair view, in all material respects of the financial condition and operational results of the Company and the Group and are in accordance with relevance accounting standards as required by the Corporations Act; and,
- The above statement is founded on a system of risk management and internal control, and the system is operating effectively in all material respects in relation to financial reporting risks.