Risk Management Policy

Enero Group Limited ABN 97 091 524 515

1 Introduction

This policy sets out the Risk Management Policy of Enero Group Limited (**Company**) adopted by the Board of Directors.

The Company acknowledges that risk management is fundamental to the achievement of financial and strategic goals of the Company.

2 Purpose

The purpose of the Risk Management Policy is to document the Company's risk management approach, willingness to accept risk, accountabilities for managing risk and the resources and processes dedicated to the management of risk.

3 Scope

The Risk Management Policy applies to the Company and all controlled subsidiaries of the Company (collectively referred to as the "Group").

The Policy covers specific risk management activities across core areas of risk for the Group including operational, financial reporting and compliance risks. The policy also aims to identify material risks which could have a significant financial or reputational impact at a Group level in areas which fall outside the core risk group, including reputational, technological or market risks. Materiality in this context is interpreted in reference to accounting standards on materiality and has regard to both quantitative and qualitative aspects. Materiality is considered at the Group level.

4 Audit and Risk Committee

The Audit and Risk Committee oversees the risk management framework along with all matters affecting the Company's financial reporting and internal controls.

5 Policy

5.1 Approach to risk management

The Company's approach to risk management is designed to identify and respond to risks in a way that creates value for shareholders and to allow the Company to meet its long term growth objectives.

The Company has organic growth objectives, as well as pursuing growth by acquisition from time to time. Risk management decisions are made in the context of maintaining these growth targets.

In order to manage the material business risks to allow the Company to achieve its strategic business objectives a system of risk management and reporting has been implemented at all layers of the organisation. This system is implemented by management, primarily through the CEO, CFO and General Counsel.

5.2 Risk strategy and tolerance

The Company's risk tolerance is the amount of total risk that the Company is prepared to accept or be exposed to at any point in time. The Company's risk tolerance is characterised by:

- An eagerness to be innovative and, where appropriate in the context of the individual business, to choose options offering higher business rewards;
- A preparedness up to certain financial thresholds to invest for the best possible reward and accept the possibility of financial loss;
- Reasonably high levels of independence from Group subsidiaries, particularly around client relationships and management of human capital;
- Appropriate but not burdensome resources allocated to risk management; and
- A high degree of diversification of employees, clients and revenue sources.

6 Procedure

6.1 Risk management requirements

The Company has incorporated risk management into strategic planning and business decision making to better identify, understand and prioritise material business risks.

Risk reporting is to occur throughout the year at various different levels across the Group including:

- Subsidiary CEOs and MDs to report any material business risks at the subsidiary level in monthly board reports and in the annual risk review;
- Annual budget planning to focus on identification of material and key business risks at all levels of the company;
- Implementation of a compliance program by the General Counsel to monitor the Company's compliance with regulatory and legal requirements and to report to the Board monthly on any material non-compliance; and
- Senior Management to meet regularly to deal with specific areas of risk such as treasury, exposure to interest rates and foreign exchange rates and to report to the board at least annually (or more often as required) on specific risks.
- At the end of each financial year the CEO and CFO to present an updated risk register (please refer to attachment A) that summarises the material business risks, the controls in place to mitigate the risks and the effectiveness of those controls.
- The CEO, CFO and General Counsel review the corporate governance statement for inclusion in annual report.

6.2 Assurance

CEO / CFO attestations to be provided annually to the Board confirming that management has designed an appropriate risk management and internal control system to manage the Company's material business risks and that management has effectively managed the material business risks.

6.3 Risk management roles and responsibilities

Managing risk is the responsibility of all Directors and employees however certain roles have specific accountability for risk management. The following is a summary of the accountabilities and responsibilities for managing the Company's material business risks:

- Board of Directors: champion the Company's governance and risk management processes, determine the Company's risk tolerance, review recommendations from the Company's audit committee and determine future actions, publicly report and make the necessary disclosures relating to risk as required by Principle 7;
- Audit and Risk Committee: oversee the risk management framework, ensure the risk management framework is implemented and adopted, review and approve the Company's list of material business risks and risk treatment strategies, monitor the implementation of the risk management program, confirm the Company's risk management process is changing to reflect the changing environment and respond to the emerging issues and risks, and receive reports from management on the effect of material business risks;
- CEO / CFO / General Counsel: develop the Company's strategic risk profile by identifying and prioritizing material business risks, review the Company's risk profile periodically, review and assess the current planned approach to managing material business risks, review and monitor the status of risk controls, periodically report to the board / audit committee on material business risks; and
- Subsidiary CEOs and MDs: monitor material business risks in their divisions / companies, provide information on control strategies to senior management to support ongoing reporting to the board, and ensure staff are adopting and implementing the Company's risk management procedures as developed and intended.

7 Reporting

To assist the Audit and Risk Committee in monitoring and reviewing the risk management framework, updates are provided to the Committee as needed.

Operational risks are reported to the CEO as and when they occur. The CEO will report significant items to the Board.

8 Review

This policy will be reviewed on an annual basis.

Revision History

Revision #	Date
1	2009
2	2023(reviewed/unchanged)
3	2024 (reviewed/unchanged)