JLG Policy

RISK MANAGEMENT

1. SCOPE

1.1. This policy applies to all employees of companies in the Johns Lyng Group (JLG), its customers, people, assets, functions, objectives, operations or members of the public. JLG will seek to manage risk within an acceptable level and as low as reasonably practicable.

2. DEFINITIONS

2.1 **"Johns Lyng Group"** means:

2.1.1 Johns Lyng Group Ltd; and

2.1.2 Any related body corporate (as that term is defined in the Corporations Act 2001 (Cth); and

2.1.3 Any other entity that relates to the employer or any other member of the Group by a common interest in an economic enterprise (for example, a Partner or another member of a joint venture).

3. PURPOSE

3.1. The purpose of this policy is to provide guidance, so far as is reasonably practicable, that will:

- Manage all risks through the Organisation's Risk Management Framework (being the total of risk-related controls and processes employed across the Group) by identifying, assessing, and rating risk, as well as applying treatments or controls and monitoring and reporting on their effectiveness.
- Ensure risk management is adopted throughout the Group as prudent management practice and discipline.
- Ensure that all employees are made aware of the need to manage risk and to promote a culture of participation in that process.
- Protect JLG from adverse incidents and to reduce its exposure to loss and to mitigate and control loss should it occur.
- Ensure the ongoing capacity of the Group to fulfil its mission, perform its key functions, meet its objectives and serve its customers.
- Reduce the costs of risk to the Group.
- Adopt the three-line defence model of process improvement, management control and Board oversight.

3.2. It is the responsibility of all employees to ensure they understand and adhere to this Policy. JLG reserves the right to amend this Policy from time to time and individuals will be bound by those changes. This document is not an employment contract and does not give rise to any contractually binding obligations, implied or expressed, upon JLG.

3.3. This policy is to be interpreted with reference to training, directives, rules and procedures issued by JLG from time to time.

3.4. JLG recognizes that management have overall responsibility to provide effective risk management systems, so far as is reasonably practicable.

The JLG Risk Management Framework provides mechanisms for:

- identifying risks including any emerging risks and risks for businesses acquired;
- the regular review of the risks facing the organisation and the updating of the organisation's risk registers;
- determining the materiality of those risks and the development of a plan to minimise the impact of such risk on the organization;
- reporting of risks, risk scores, risk treatment plan and the effectiveness of the risk treatment plans during regular forums;
- formulation and updating of the organisation's risk management processes and procedures to address the significant risks; and
- monitoring that the risk culture of the organisation is consistent with the Board's risk appetite and risk priorities.

4. ROLE OF MANAGEMENT

4.1 Management is responsible for designing and implementing risk management and internal compliance and control systems as set out in the Risk and Compliance Committee (RCC) Charter which identify the material risks facing the Group. These compliance and control systems are designed to provide advanced warning of material risks before they eventuate.

4.2 Management must regularly monitor and evaluate the effectiveness of these processes and risk plans and the performance of employees implementing them. In addition, management must promote and monitor the culture of risk management within the Group as well as compliance with internal risk systems and processes. All employees are responsible for implementing, managing and monitoring these processes and risk plans with respect to material business risks, as appropriate.

4.3 Management must report on risk management at each Board meeting and RCC meeting to enable Directors to discharge their duties and responsibilities in relation to risk management under the Board and RCC Charters. The reporting must identify the Group's material risks and the extent to which:

- the Company's ongoing risk management program effectively identifies all areas of potential risk, including with respect to licensing and regulatory issues;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audit is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to address areas of weakness.

5. PERFORMANCE

5.1 Risk management performance will be measured by:

- implementation and reporting of the effectiveness of the risk management framework;
- regular review of strategic risks that have a broad organisation-wide impact;
- identification of risk and successful treatment in accordance with procedures and guidelines;
- mitigation and control of any losses;
- reduction in any costs of risks; and
- achievement of best practice through alignment to the International Risk Management Standard ISO 31000: 2018.

This Policy shall be reviewed annually by the Risk and Compliance Committee (RCC) to ensure consistency of application.

6. DISCLOSURE AND NON COMPLIANCE

6.1 Any breaches of this policy must be reported to the HR Director.

6.2 It is important to understand that any breach of this policy may result in disciplinary action up to and including termination of your employment.

7. ACKNOWLEDGEMENT

Your electronic sign off will be deemed as your acceptance that you have read, understood and agreed to the content of this Policy.