



RISK MANAGEMENT POLICY
Link Administration Holdings Limited ("Link")
ABN 27 120 964 098

1. Purpose

Link considers ongoing risk management to be a core competency of the management of Link. Link's ability to identify and address risk is central to achieving its corporate objectives.

This Policy outlines the program implemented by Link to maintain appropriate risk management within its systems, people and culture.

2. Policy Statement

Link is committed to maintaining a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to Link's corporate objectives and activities.

Our aim is to support the pursuit of strategic opportunities and operational returns whilst managing the associated risks within acceptable levels.

Link seeks to align to the key principles, framework and procedures of the international risk management standard AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines.

Wherever Link operates, Link will seek to develop, implement and maintain management systems for all material risks that enable Link to:

- identify, assess and manage risks in an effective and efficient manner;
- make decisions based on a comprehensive understanding of the reward-to-risk balance;
- provide greater certainty of the delivery of objectives; and
- satisfy our corporate governance requirements.

Link will do this by:

- encouraging enterprise, innovation and acceptance of appropriate risks, whilst exercising strong stewardship and good corporate governance;
- developing a culture of accountability and risk awareness at all levels to recognise and appropriately manage risk;
- implementing a comprehensive and systematic risk assessment and reporting process across the organisation; and
- seeking to continually improve the management of risk.

3. Scope

This Policy applies to all employees, contractors and consultants of Link or its wholly owned subsidiaries.

Other suppliers and outsourced providers are not required to comply with this Policy. However, Management should satisfy themselves that appropriate systems and controls are in place with third party suppliers and outsourced providers to monitor and mitigate risk.

4. Roles and Responsibilities

4.1. Responsibilities of the Board

The Board is ultimately accountable for organisational risk management. As such the Board approves the risk policy, sets the risk appetite, and oversees Management's risk management framework and satisfies itself that the framework is sound.

The Board also acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities.

The Board has delegated responsibility for reviewing the risk profile including material business risks and reporting on the operation of the internal control system to the Risk and Audit Committee (RAC). The HR and Remuneration Committee and Technology & Innovation Committee are expected to have oversight of the material risks and operation of the internal control systems in respect to their respective areas. The RAC or Management may also refer particular risk management issues to the Board for final consideration and direction.

The Board will review the effectiveness of Link's risk management framework and internal control system annually to satisfy itself that it continues to be sound and that the entity via the risk appetite KRI's quarterly reporting is operating within the risk appetite set by the Board.

4.2. Responsibilities of the Risk and Audit Committee

The day-to-day oversight and management of Link's risk management program is conferred upon the RAC in accordance with the RAC Charter. The RAC is responsible for ensuring that Link maintains effective risk management and internal control systems and processes and provides regular reports to the Board on these matters. In addition to the risk management responsibilities set out in its Charter, the role of the RAC is to assist the Board to:

- fulfil oversight responsibilities for:
 - the financial reporting process,
 - the system of internal control relating to all matters affecting Link's financial performance, and
 - the audit process;
- monitor compliance with laws, regulations and codes;
- adopt and apply appropriate ethical standards in relation to the management of Link and the conduct of its business;
- determine the Risk Management Policy and Risk Appetite Statement;
- oversee and review, at least annually, the adequacy and effectiveness of the risk management and internal compliance and control systems; and
- review the adequacy of Link's insurance policies.

4.3. Responsibilities of Management

Management are responsible for designing and implementing risk management and internal control systems which identify material risks for Link and aim to provide Link with warnings of risks before they escalate. Management must implement the action plans developed to address material business risks across Link.

Management should regularly monitor and evaluate the effectiveness of the action plans. In addition, management should be the stewards, promote and monitor the culture of risk management within Link and compliance with the internal risk control systems and processes. Management should report regularly to the Board regarding the status and effectiveness of the risk management program.

Management via the Managing Director and Chief Financial Officer will attest under section 295A of the Corporations Act 2001 in respect to Link's consolidated financial statements on a six monthly basis. Management will attest to the Board monthly of any areas of material non-compliance.

4.4. Responsibilities of the Chief Risk Officer

The Chief Risk Officer is accountable for managing the strategic direction of the risk function and the development and management of group-wide risk governance and improvement programmes for identifying, evaluating, controlling, monitoring and reporting to the RAC and Board on all material risks across Link.

4.5. Responsibilities of all Employees

All employees are required to understand, promote and be responsible for ensuring that internal controls are in place to effectively manage risks that apply to activities within their day-to-day responsibility, including risks associated with external events and internal business decisions, processes, systems or people.

4.6. Responsibilities of Internal Audit

Internal audit carries out reviews and internal control advisory activities which are aligned to the key risks in Link to provide independent assurance to the Risk and Audit Committee and the Board on the adequacy and effectiveness of the financial reporting, risk management and internal compliance and control systems.

5. Review of the Risk Management Program

Link regularly evaluates the effectiveness of the risk management program through monitoring of its internal control systems and processes and update these as required.

The division of responsibility between the Board, RAC and management aims to ensure that specific responsibilities for risk management are clearly communicated and understood. The reporting obligations of the RAC aim to ensure that the Board is regularly informed of material risk management issues and actions. This is supplemented by the evaluation of the performance of the risk management program.

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