



ReGen Factor Pty Ltd

ABN 42 638 921 070

# RISK MANAGEMENT POLICY

# ReGen Factor

## Risk Management Policy

### Contents

- 1. PURPOSE .....2
- 2. POLICY OBJECTIVES.....2
- 3. RISK MANAGEMENT.....2
- 4. MANAGEMENT’S RESPONSIBILITY TO THE BOARD .....3
- 5. ROLE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE AND INTERNAL AUDIT FUNCTION .....3
- 6. REVIEW .....3

### Document history

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#	Approved by	Date	Details of changes
1	RGFB	27 June 2022	New policy

# ReGen Factor

## Risk Management Policy

ReGen Factor Pty Ltd (the Company), its subsidiaries and any entities that form part of the ReGen Factor group from time to time (the Group), is committed to the identification, monitoring and management of material business risks associated with its business activities across the Group and has embedded, in its risk management framework and reporting systems, a number of overarching risk management controls.

### 1. PURPOSE

- 1.1. This policy is designed to summarise the Group's risk management policies in place to manage material business risks.
- 1.2. This policy is to be read in conjunction with all of the Company's policies including, but not limited to, the Code of Conduct and the Audit and Risk Management Committee Charter.

### 2. POLICY OBJECTIVES

- 2.1. The Board is responsible for the oversight of the Company's risk management and control framework, this includes setting the risk management framework, the risk appetite and ensuring that the Company is operating with due regard to the risk appetite. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.
- 2.2. The primary objectives of the risk management system at the Company are to ensure:
  - all major sources of harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
  - business decisions throughout the Company appropriately balance the risk and reward trade off;
  - regulatory compliance and integrity in reporting is achieved; and
  - the Board, senior management and investors understand the risk profile of the Company.

### 3. RISK MANAGEMENT

- 3.1. The risk management controls adopted by the Company include:
  - implementing a systematic process to assist in the identification, assessment, monitoring, treatment and control of organisational risks including financial, health & safety, project management, legal and shareholder confidence;
  - providing the necessary tools and resources to management and staff to support the effective management of risks;
  - policies and procedures that clearly set out the delegations of authority, including delegated limits for the approval of expenditure;
  - approved guidelines and standards covering safety, the environment, legal liability, risk identification, quantification and reporting, and financial controls;
  - a comprehensive annual review of insurance policies to mitigate risk;
  - policies and procedures for the management of financial risk and treasury operations, including exposures to foreign currencies and movements in interest rates;
  - a formal dynamic planning process of preparing strategic plans for the Group;

## ReGen Factor

### Risk Management Policy

- annual forecasting and budgeting process including quarterly reporting systems for the Group, which enable the monitoring of progress against performance targets and the evaluation of trends;
  - directors' financial due diligence questionnaires to management; and
  - crisis management systems (i.e. Business Continuity Plan) for all key business processes in the Group.
- 3.2. Given the speculative nature of the Company's business it is subject to general risks and certain specific risks. The Company, with oversight and input by the Board, continually assesses the impact of risks upon the Company's objectives. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of internal and external risk profile of the Company. The Company's risk management process provides a comprehensive, integrated approach for carrying out risk management activities. This process will allow management to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value

#### **4. MANAGEMENT'S RESPONSIBILITY TO THE BOARD**

- 4.1. The Company's leadership team is required by the Board to design and implement the risk management policies and internal control systems to best manage the material business risks of the Group.
- 4.2. The Chief Executive Officer is ultimately responsible to the Board for the Group's internal control and risk management systems and is required to regularly report to it on the effectiveness of the systems in managing the Group's material business risks.

#### **5. ROLE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE AND INTERNAL AUDIT FUNCTION**

- 5.1. The Audit and Risk Management Committee (ARMC) assists the Board in relation to risk management. The ARMC executes this function through a periodic review of the Group's risk assessment register and monitoring emerging risk
- 5.2. The internal audit function (if appointed) is independent of the external audit function.
- 5.3. The ARMC is notified of internal audit reports and monitors progress with recommendations made in those reports to ensure the adequacy of the internal control environment.

#### **6. REVIEW**

- 6.1. This policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.