

# Risk Management Policy

Regal Partners Limited ACN 129 188 450

## 1. Introduction

- 1.1 Regal Partners Limited ACN 129 188 450 (**Company** and, together with its controlled entities, the **Group**) views effective risk management as key to achieving and maintaining its operational and strategic objectives.
- 1.2 This risk management policy is designed to ensure, among other things, that risks taken by the Group:
  - (a) are appropriately aligned to the Group's operational and strategic objectives; meet legal and regulatory obligations; and
  - (b) seek to deliver returns to shareholders of the Company.

## 2. Risk oversight

- 2.1 The Company's board of directors (Board) is responsible for setting the risk appetite, determining the risk management structure, reviewing and ratifying the risk management processes and guidelines and ensuring that an appropriate risk management framework and culture is in place.
- 2.2 To assist the Board in discharging its financial responsibility in relation to risk management, the Board has delegated certain activities to the Company's Audit and Risk Committee. The objectives of the Audit and Risk Committee include, among other things:
  - (a) assisting the Board to achieve its governance objectives in relation to, among other things, financial reporting, business policies and practices, legal and regulatory compliance and internal controls and risk management systems;
  - (b) improving and maintaining the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
  - (c) promoting a culture of compliance across the Group;
  - (d) providing a forum for effective communication between the Board and the Company's management (**Management**) in relation to audit, risk and compliance matters affecting the Group;
  - (e) ensuring effective internal audit (if any) and external audit functions and communication between the Board and the internal auditor (if any) and external auditor; and
  - (f) reviewing and commenting on Management's plans for managing the material financial and reporting risks faced by the Group.
- 2.3 To achieve these objectives, the responsibilities of the Audit and Risk Committee in relation to risk management and internal compliance and control systems include, among other things:
  - (a) reviewing and/or evaluating the effectiveness of the Group's risk management and internal control processes, the Group's risk management plan framework and management's performance against the entity's risk management framework;
  - (b) overseeing the establishment and implementation of risk management and internal compliance and control systems, and ensuring that there is a mechanism for assessing the ongoing efficiency and effectiveness of those systems;
  - (c) reviewing (at least annually) and approving policies and procedures on risk oversight and management;

- (d) reviewing any material incident involving fraud or a breakdown of the Group's risk controls, considering the implications for the Group of such incidents and the "lessons learned";
  - (e) receiving reports from Management concerning the Group's material risks (including any emerging sources of material risk) and the risk controls and mitigation measures that Management has put in place for the Group, in order to assess the internal processes for determining, monitoring and managing these risks and to monitor the risk profile of the Group;
  - (f) reviewing the Group's financial risk management procedures to ensure that the Group complies with its legal obligations; and
  - (g) reviewing any significant regulatory and/or compliance issues affecting the Group and monitoring any actions taken by Management to address them.
- 2.4 Further detail in relation to the responsibilities of the Audit and Risk Committee are contained in the Audit and Risk Committee's charter that is available on the Company's website at [www.regalpartners.com](http://www.regalpartners.com).

### 3. Role of Management

- 3.1 Management is responsible for the active identification of material risks and the design and implementation of controls and mitigation measures. The material risks for the Group may change over time as the external environment changes and as the Group expands its operations. The risk management process requires the regular review of the Group's existing material risks and the identification of new and emerging material risks facing the Group, including financial and non-financial matters.
- 3.2 Any controls and mitigations measures, including internal compliance and control systems, should be designed to provide advanced warning of material risks before they eventuate.
- 3.3 Management must regularly monitor and evaluate the effectiveness of these processes and risk plans and the performance of those employees implementing them, including through the procedures listed in **Schedule A**. In addition, Management must promote and monitor the culture of risk management within the Group (having regard to the risk appetite set by the Board for the Group) and communicate and monitor compliance with internal risk systems and processes by employees of the Group.
- 3.4 All employees of the Group are responsible for implementing, managing and monitoring these processes and risk plans with respect to material business risks, as appropriate. Risk management adherence and performance is a key facet of each employees annual performance review.
- 3.5 The Chief Risk Officer must report to the Audit and Risk Committee quarterly. The reporting is to include the likelihood and consequences of identified risks materialising in the Group's Risk Matrix, together with mitigants in the Group's Risk Register. The reporting must identify the Group's material risks and the extent to which:
- (a) the Company's ongoing risk management program effectively identifies all areas of potential material risk, including with respect to licensing and regulatory issues;
  - (b) relevant controls and mitigation measures have been designed and implemented to manage identified material risks;
- and
- (c) proper remedial action is undertaken to redress areas of weakness.

### 4. Review of risk management

- 4.1 The division of responsibility between the directors, the Audit and Risk Committee and Management aims to ensure that specific responsibilities for risk management are clearly communicated and understood by all.

4.2 The reporting obligations of Management and the Audit and Risk Committee ensure that the Board is regularly informed of material risk management issues and actions and can assess the appropriateness of the Group's risk management framework and the Group's risk appetite

## 5. Review and changes to this policy

5.1 The Board will review this policy at minimum on an annual basis.

5.2 The Board may approve updates and amendments to this policy from time to time by resolution.

## 6. Approved and adopted

This risk management policy was last reviewed and approved by the Board on 12 November 2024.

# Schedule A

The following are intended to form part of the normal procedures for Management's risk and compliance responsibilities.

- Evaluating the adequacy and effectiveness of management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for the management of balance sheet risks.
- Evaluating the adequacy and effectiveness of the Group's financial and operational risk management control systems by reviewing risk registers and reports from external auditors.
- Evaluating the structure and adequacy of the Group's business continuity plans.
- Evaluating the structure and adequacy of the Group's own insurances on an annual basis.
- Evaluating the structure and adequacy of the Group's Cyber & Information Security processes and controls.
- Reviewing and making recommendations on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies.
- Establishing and maintaining processes to ensure that there is:
  - an adequate system of internal control, management of business risks and safeguard of assets; and
  - regular reviews of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- Evaluating the Group's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance.
- Assessing whether the Group has any material exposure to environmental (including climate change) or social risks and, if it does, how it manages or intends to manage those risks.
- Reviewing the Group's corporate governance practices for completeness and accuracy.
- Reviewing the procedures that the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as financial services, industrial relations, occupational health and safety and the environment).
- Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including, but not limited to, the requirements under the ASX Listing Rules and Generally Accepted Accounting Principles).
- Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.
- Reviewing the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards.
- Reviewing the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.