



Risk Management Policy



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1 Introduction

As a publicly listed company and provider of financial products and services, Assetora Limited and its related entities (Assetora) operates in a highly regulated environment.

Assetora is committed to the effective management of risk, which is central to its continued growth and success and the achievement of the Company's corporate objective and strategy.

1.1 Key obligations under this policy

Assetora has adopted a Risk Management Policy for the oversight and management of material business risks and manages risk within a comprehensive risk management process which is based on the principles and guidelines outlined in the International Standard ISO 31000 .

A key element of this risk management process is the Board's assessment of risk, which is based on the level of risk Assetora is able to sustain in achieving its corporate objective of delivering value to shareholders. Risks are identified, analysed and prioritised using common methodologies and risk controls are designed and implemented having regard to the overall corporate strategy.

The Board is responsible for reviewing and approving the overall management of risk and internal controls.

The Board monitors Assetora's risk profile, risks and mitigating strategies primarily through a combination of the Board and receipt of regular reports from management on the effectiveness of Assetora's risk management process.

Assetora Management, through the CEO, COO, CCO, CFO, Head of Risk and Compliance, and Company Secretary are responsible for the overall design, implementation, management and coordination of the Company's risk management and internal control system.

Each business unit has responsibility for identification and management of risks specific to their business. This is managed through an annual risk workshop within each business unit and a regular self-assessment of the risk register as part of regular management reporting.

The outcomes of the business unit risk workshops are integrated in the Corporate Risk Register and presented to the Board on an annual basis, and management is required to present regular updates to the Board on material business risks.

In addition, the Head of Risk and Compliance independently monitors the Corporate Risk Register and internal control framework and provides written reports to the Board on the effectiveness of the management of risk and internal controls.

1.2 Updating of Policy

The Head of Risk and Compliance will be responsible for updating this policy. The policy will be reviewed and updated (if necessary) at least annually and whenever there is a change in law or business activities.

2 Background

- a) Assetora will take all appropriate actions to help ensure that it complies with its risk management obligations under this policy.
- b) Assetora is required to have adequate risk management systems which:
 - i. identify, analyse, evaluate, treat and communicate risks in its business, and monitor and report on risk management issues;
 - ii. assesses risks associated with its business and the probability of those risks occurring; and
 - iii. provides risk management training to all Staff.
- c) Assetora's risk management system is:
 - i. based on a structured and systematic process that takes into account the Assetora regulatory obligations;
 - ii. identifies and evaluates risks faced by its business, focusing on risks that adversely affect clients or market integrity (this includes risks of non-compliance with regulatory obligations);
 - iii. establish and maintain controls designed to manage or mitigate those risks; and

- iv. fully implement and monitor those controls to ensure they are effective.
- d) The Board has implemented a best practice risk management framework with a revised Risk Management Framework and a Risk Appetite Statement.

3 Strategy

- a) The risk management function for Assetora will be overseen by the Head of Risk and Compliance who reports to the CEO and ultimately to the Board.
- b) Assetora has developed a Risk Appetite Statement which states the aggregate level and types of risk that Assetora is willing to accept, or to avoid, to achieve its key strategic objective.
- c) Assetora's risk management strategy will be approved by the Board. The Head of Risk and Compliance will brief the Board on changes to, or breaches of, the risk management systems.
- d) Compliance procedures will also be developed by the Head of Risk and Compliance that will address the regular regulatory reporting and the monitoring of the day to day management of the Company. The compliance procedures will be established to ensure compliance with the relevant regulatory requirements. Implicit in the concept of the compliance procedures is that they manage and, where possible, reduce the inherent
- e) risks involved in the Company's business.
- f) Assetora has identified a number of risks which are described in the live Corporate Risk register. The Risk Register identifies:
 - i. the risks to Assetora;
 - ii. the likelihood that each individual risk will arise;
 - iii. the impact on the business of the risks, including consideration for any mitigating systems Assetora has in place; and
 - iv. what risk prevention measures are available.
- g) Individual risks are identified on the basis of both the likelihood that they will occur and their impact in the event they occur.
- h) Assetora undertakes a detailed Risk Analysis which includes for each risk identified in the Risk Register the following:
 - i. a description of the risk;
 - ii. the cause of the risk;

- iii. the consequences of the risk;
- iv. the inherent risk rating;
- v. a description of the controls to address the risk;
- vi. the residual risk rating allowing for the mitigating controls that have been implemented; and
- vii. action plans where necessary.

4 Treatment of Risks

Where Assetora identifies a risk it will impose appropriate procedures to, so far as possible, reduce the potential impact of, or likelihood of, the occurrence of that risk.

Where Assetora identifies a risk that is likely to have either a high or extreme impact upon the business, even after organising appropriate procedures to mitigate against it, Assetora has identified 4 potential approaches:

- a) Terminate the risk
- b) This is achieved by, for example, eliminating the business area or significantly altering it. Assetora will choose this course of action for risks that could have catastrophic impact on the business and where the costs of otherwise regulating the risk outweigh the potential business benefit.
- c) Manage and reduce the risk
- d) Assetora can seek to reduce a risk by taking specific action focused at the risk itself, for example seeking to reduce the likelihood the risk will occur or reducing the potential impact if the risk occurs.
- e) Accept the risk
- f) Assetora recognises that all businesses involve a degree of risk. Accordingly, there may be some risks that Assetora acknowledges and agrees to accept.
- g) Pass on the risk
- h) Assetora can choose to pass on all or part of a certain risk to another party.

5 Rating of Risks

The rating of risks can be found in the Risk Framework and Risk Register.

6 Risk Register and Risk Analysis

Risks are assigned an overall risk rating of Low, Moderate, High or Extreme. Each risk rating represents a combination of the likelihood that the risk will eventuate combined with the potential impact of the risk if it eventuates. Risk Register and Risk Analysis

A live Corporate Risk Register will represent a summary of the most significant risks identified by Assetora and this will be reported to the Board on a monthly basis.

7 Details of role, seniority and capabilities of risk management personnel

7.1 Board of Directors

The board of directors (Board) is accountable for ensuring that a risk management system is established, implemented and maintained in accordance with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Board.

7.2 Executive Management

Executive Management are accountable for strategic risk management within the business areas under their control, including the devolution of the risk management process to staff.

7.3 Head of Risk and Compliance

The Head of Risk and Compliance will be accountable to the Board for the implementation of the risk policy in key areas of Assetora, and for maintaining a programme for risk reassessment and the Risk Registers. The Head of Risk and Compliance will provide staff with initial training and ongoing advice in risk management matters. The Head of Risk and Compliance is responsible for the Assetora's ongoing compliance procedures. Implicit in the concept of these procedures is that they manage and, where possible, reduce the inherent risks involved in Assetora's business.

8 Risk Review Process

- a) An annual review of the Assetora's risk management processes will be conducted by the Head of Risk and Compliance in conjunction with the Executive Team and the Board.
- b) The Head of Risk and Compliance will provide a report to the Board detailing the findings of the annual review.
- c) If necessary, a third party will be engaged to provide an independent review of the
- d) Assetora's business risks and controls.

9 Adoption Policy

This policy was adopted by the Board on 8 December 20



ANNEXURE A – RISK APPETITE STATEMENT

Risk Management Statement

The management of risk is everyone’s responsibility. We all manage risk in everything we do to achieve our plans, strategies and objectives.

Assetora achieves success by earning and rewarding trust from all stakeholders – customers, employees, suppliers, shareholders and regulators.

Risk to this success will manifest itself in many forms and has the potential to impact customers, product, reputational, operational and financial performance and, thereby, the achievement of our business objectives.

We recognise that, by identifying, understanding and managing risk, we provide greater confidence in achievement of our goals. I believe that, by successfully managing risk, we can create a source of competitive advantage and better client outcomes for Assetora.

For this to be true, we must manage risk collaboratively, we must seek support where needed, and where asked to support we must work on an enterprise-wide basis.

The management of risk is embedded into our critical business activities, functions and processes. Having accountability for our understanding of the risks we face, and our appetite and limits for risk will be key considerations in decision making and enhancing our risk culture.

We will use consistent methods to identify, analyse, prioritise and respond to risks.

To the extent possible common systems and methodologies will be used to enable us to trade-off between competing risk priorities.

Controls to manage risks will be embedded in documented and owned business processes. We will check whether these processes and controls are working the way they should and respond if they are not.

We will monitor, review and report on our performance in managing risk. This oversight will enable us to provide confidence to all our stakeholders.

Effective risk management is integral to our shared success at Assetora



John Elkovich
Chief Executive Officer
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