



RISK MANAGEMENT POLICY

Cobram Estate Olives Limited

1 INTRODUCTION

1.1 Overview

Cobram Estate Olives Limited ACN 115 131 667 (**Company**) understands that its corporate success requires it to capitalise on potential opportunities while managing risk. While it is not possible for the Company to shield itself from all risk, it must do so to the extent reasonably practicable. Due to the nature of its business, the Company may face (without limitation) risks related to intellectual property, reputation and regulatory compliance. The Company has established a risk management framework to enable it to identify and manage risk on a continual basis (**Risk Management Framework**).

1.2 Application

This Risk Management Policy (**Policy**) applies particularly to the Company's board of directors (**Board**) and Audit and Risk Committee (**Committee**). All directors, advisors, employees, consultants and contractors of the Company (**Personnel**) must be aware of, and comply with, this Policy and other applicable Company policies.

For the purposes of this Policy, "risk" is defined as possible outcomes that could materially adversely impact on the Company's financial performance, assets, reputation, people or the environment.

1.3 Policy objectives

The Board has adopted this Policy to:

- 1.3.1 ensure that the Company has appropriate processes in place to identify and manage to the extent reasonably practicable all material risks that may impact the Company (having regard to ASIC Regulatory Guide 259 *Risk management systems of responsible entities*);
- 1.3.2 ensure that the financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks; and
- 1.3.3 establish the Board's responsibility for managing risk and ensure appropriate responsibilities are delegated to the Committee.

2 RISK MANAGEMENT FRAMEWORK

2.1 Identified risks

There are a number of risks which are inherent to the business activities which the Company undertakes.

These risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the Board to conduct regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

2.2 Roles and responsibilities

The Board is ultimately responsible for:

- 2.2.1 designing and implementing the Risk Management Framework and the Company's risk appetite;
- 2.2.2 satisfying itself that the Risk Management Framework implements a robust system of risk management; and
- 2.2.3 detecting, evaluating, monitoring and reviewing risks.

The Board will delegate the administration of the Risk Management Framework to the Committee, in accordance with the Audit and Risk Committee Charter, which is available on the Corporate Governance section of the Company's website. The Board will review the effectiveness of the Company's risk management twice every year in accordance with the Company's half year review and full year audit.

Not all aspects of risk management can be formalised, and the Company places considerable reliance on the skill, experience and judgment of its people to take risk managed decisions within the framework of this Policy and to communicate openly on all risk related matters.

2.3 Risk Management Framework

The Company has established the Risk Management Framework which is underpinned by the following key factors:

- 2.3.1 the maintenance of robust Company policy and procedure to manage business, financial, operational and market risks;
- 2.3.2 the necessity of a systematic process of risk identification and analysis, including assessment of the likelihood, potential impact and acceptability of identified risks;
- 2.3.3 implementation of strategies to eradicate, limit and manage identified risks;
- 2.3.4 the Committee, which is responsible for the day-to-day implementation of the Risk Management Framework and will regularly report to the Board on:
 - 2.3.4.1 the adequacy of the Company's risk management processes (having regard to contemporary and emergency risks including digital disruption, cyber-security, privacy and data breaches, sustainability and climate change);
 - 2.3.4.2 the Company's compliance with applicable laws and regulations;
 - 2.3.4.3 any incident involving fraud or other break down of the Company's internal controls; and
 - 2.3.4.4 the suitability of the Company's insurance program.

Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed.

2.4 Review of Risk Management Framework

The Company recognises that risks may change over time and effective risk management requires ongoing attention. The Company will, at least annually, review the Risk Management Framework to ensure it continues to be sound, and will disclose, in relation to each reporting period, whether such a review has taken place.

3 ADOPTION AND REVIEW OF THIS POLICY

3.1 Adoption of this Policy

The Board adopted this Policy on 7 June 2021. It takes effect from that date and replaces any previous policy in this regard.

3.2 Review of this Policy

This Policy can only be amended with the approval of the Board. The Board will review this Policy at least annually to ensure its effectiveness and will communicate any amendments to Personnel as appropriate.