

# Risk Management Policy

## Table of Contents

<b>1.</b>	<b>Introduction</b>	<b>2</b>
1.1	<i>Background</i>	2
1.2	<i>Purpose</i>	2
1.3	<i>Board responsibility</i>	2
<b>2.</b>	<b>Key principles and concepts</b>	<b>3</b>
2.1	<i>Identified Business Risks</i>	3
2.2	<i>Business Risk Management Policies and Practices</i>	3
2.3	<i>Additional Risk Management Policies and Practices</i>	4
<b>3.</b>	<b>Other matters</b>	<b>4</b>
3.1	<i>Amendment of policy</i>	4
3.2	<i>Adoption of Policy and Board review</i>	4

## Risk Management Policy

### Primewest Group Limited and its subsidiaries and Primewest Management Limited as responsible entity of the Primewest Property Fund (Primewest)

#### Operative provisions

---

#### 1. Introduction

##### 1.1 Background

Risk recognition and management are viewed by Primewest as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of Primewest's strategies.

##### 1.2 Purpose

- (a) The purpose of the Risk Management Policy (the **Policy**) is to ensure that:
  - (i) appropriate systems are in place to identify to the extent reasonably practicable all material risks that may impact on Primewest's business;
  - (ii) the financial impact of identified risks is understood, and appropriate internal control systems are in place to limit Primewest's exposure to such risks;
  - (iii) appropriate responsibilities are delegated to control the identified risks effectively; and
  - (iv) any material changes to Primewest's risk profile are disclosed in accordance with Primewest's Continuous Disclosure Policy.
- (b) For the purpose of this Policy, "risk" is defined as possible outcomes that could materially adversely impact on Primewest's financial performance, assets, reputation, people or the environment.

##### 1.3 Board responsibility

- (a) The Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions. As a minimum, the Board is required to:
  - (i) oversee the establishment and implementation of the risk management system; and
  - (ii) review the effectiveness of Primewest's risk management system, in relation to the processes, structures and culture established to identify, assess, treat and monitor risk to support the achievement of Primewest's objectives.
- (b) In specific areas, the Board is assisted by the Audit, Risk Management and Compliance Committee. The Audit, Risk Management and Compliance Committee is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

- (c) Not all aspects of risk management can be formalised, and Primewest 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. Key principles and concepts**

### **2.1 Identified Business Risks**

- (a) There are a number of risks which are inherent to the business activities which Primewest undertakes.
- (b) These risks may change over time as the external environment changes and as Primewest expands its operations. The risk management process requires the Board to conduct regular reviews of Primewest's existing risks and the identification of any new and emerging risks facing Primewest, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

### **2.2 Business Risk Management Policies and Practices**

- (a) In order to properly identify and develop strategies and actions to manage business risks, Primewest has put in place a business risk management framework based on the following key elements:
  - (i) an Audit Risk Management and Compliance Committee which meets periodically to identify and assess specific risks.;
  - (ii) The Audit Risk Management and Compliance Committee should have a thorough understanding of the Company's activities and should be conversant with Primewest's business plans, objectives and values;
  - (iii) an assessment of the potential impact of identified business risks and the likelihood of occurrence;
  - (iv) a ranking of the business risk in accordance with the likely impact on Primewest;
  - (v) an assessment of the acceptability of each identified risk;
  - (vi) a consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and
  - (vii) an assignment of the responsibilities for the management of each risk.
- (b) Risk management encompasses all areas of Primewest's activities. Once a business risk is identified, the risk management processes and systems implemented by Primewest are aimed at providing the necessary framework to enable the business risk to be managed.
- (c) The overall results of this assessment are presented to the Board, in oral and written form, at every Board meeting following an Audit, Risk Management and Compliance Committee meeting by the Chair of the Audit, Risk Management and Compliance Committee, and updated as needed.

- (d) The Board reviews Primewest's risk management at every Board meeting, and where required, makes improvements to its risk management and internal compliance and control systems.

### **2.3 Additional Risk Management Policies and Practices**

- (a) In addition to the specific risk management process described in this Policy, Primewest has the following procedures and practices which are designed to manage specific business risks:
    - (i) an insurance program which is reviewed by the Audit, Risk and Compliance Management Committee and by the Board;
    - (ii) regular budgeting and financial reporting;
    - (iii) Primewest's business plan;
    - (iv) corporate strategy guidelines and procedures to review and approve Primewest's strategic plans;
    - (v) legally binding commitments and expenditure exceeding certain levels must be submitted to the Board for approval;
    - (vi) procedures/controls to manage financial exposures and operational risks;
    - (vii) procedures/controls/policies and managements standards to ensure that Primewest complies with its obligations and responsibilities in relation to environmental issues, occupational health and safety matters, and the communities in which it operates;
    - (viii) oversight of Primewest's financial affairs by the Audit, Risk Management and Compliance Committee;
    - (ix) a tax governance framework endorsed by the Board with oversight by the Audit, Risk Management and Compliance Committee to ensure tax risks are appropriately identified, monitored and managed;
    - (x) regular performance reporting enabling the identification of performance against targets and evaluation of trends; and
    - (xi) ongoing training and development programs.
  - (b) Additionally, all other significant areas of Primewest's operations are subject to regular reporting to the Board, including development, finance, tax, legal, safety, environment, government and investor relations.
- 

## **3. Other matters**

### **3.1 Amendment of policy**

This Policy can only be amended with the approval of the Board.

### **3.2 Adoption of Policy and Board review**

- (a) This Policy was adopted by the Board on 11 October 2019, and takes effect from that date and replaces any previous policy in this regard.

- (b) The Board and the Audit and Risk Management Committee must review and reassess this Policy at least once each calendar year. Any amendments to this Policy must be approved by the Board. The Company Secretary will communicate any amendments to employees as appropriate.