

GROUP RISK MANAGEMENT POLICY

Collins Foods Limited (the **Company**) and subsidiaries (together, **Group**)

1 Purpose

- 1.1 Risk recognition and management are viewed by the Group as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Group's strategic objectives.
- 1.2 The purpose of the Risk Management Policy (the **Policy**) is to ensure that:
- (a) appropriate systems are in place to identify, to the extent reasonably practicable, all material risks that may impact on the Group's business;
 - (b) the financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Group's exposure to such risks;
 - (c) appropriate responsibilities are delegated to control the identified risks effectively; and
 - (d) any material changes to the Group's risk profile are disclosed in accordance with the Group Continuous Disclosure Policy.
- 1.3 For the purpose of this Policy, "risk" is defined as possible outcomes that could materially impact the Group's financial performance, assets, reputation, people or the environment.

2 Policy statement

The Group will ensure that the organisational culture and processes facilitate the consideration of risk and the potential hazards and opportunities created by risk. The Group is committed to the effective management and treatment of risk in order to achieve the organisation's desired outcomes and objectives. The management of risk is the responsibility of all directors, officers and employees.

3 Risk management framework

- 3.1 The Group's risk management program has been designed to establish a sound system of risk oversight, management, and internal controls by having the framework in place to identify, assess, monitor and manage risk. The risk management methodology has been developed in line with the International Standard for Risk Management (ISO 31000).
- 3.2 The program and methodology seek to promote awareness of risks, and intelligent risk taking and management in, and among, all levels of the business.
- 3.3 The Board determines the Group's risk appetite, after taking into account the Group's strategic objectives and other factors including shareholder expectations, financial and reporting requirements, financial position, culture and the Group's experience or demonstrated capacity in managing risks.
- 3.4 Key elements of the framework are as follows:
- (a) the Group's Audit and Risk Committee; and in Europe, the CFE Board; meet periodically to identify and assess specific risks;
 - (b) an assessment of the potential impact of identified business risks and the likelihood of occurrence;
 - (c) a ranking of the business risk in accordance with the likely impact on the Group;
 - (d) an assessment of the acceptability of each identified risk with reference to the Group's risk appetite statement;

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- (e) consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and
- (f) an assignment of the responsibilities for the management of each risk.

- 3.5 Risk management encompasses all areas of the Group’s activities. Once a business risk is identified, the risk management processes and systems implemented by the Group are aimed at providing the necessary framework to enable the business risk to be managed.
- 3.6 The Board is required to ensure material risks facing the Group have been identified and that appropriate and adequate control, monitoring and reporting mechanisms are in place.
- 3.7 Management is required to analyse its business risk in the context of the Board’s expectations, specific business objectives and the Group’s risk tolerance.

4 Identified business risks

- 4.1 There are a number of risks which are inherent to the business activities which the Group undertakes.
- 4.2 These risks 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 risks and the identification of any new and emerging risks facing the Group, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

5 Responsibilities

- 5.1 The Company’s **Board** is responsible for overseeing the establishment, and implementation by management of the risk management system, and reviewing the effectiveness of this system in relation to the processes, structures and culture established to identify, assess, treat and monitor risk to support the achievement of the Group’s objectives. The Company’s Board is also responsible for setting risk appetite.
- 5.2 The **Audit and Risk Management Committee** is responsible for monitoring management’s performance in establishing and maintaining an effective risk management system and reviewing reports provided by management regarding key business risks and their mitigation and monitoring.
- 5.3 In addition, for Europe risks, Collins Foods Europe **Board** is responsible for monitoring management’s performance in establishing and maintaining an effective risk management system and reviewing reports provided by management regarding key business risks and their mitigation and monitoring.
- 5.4 **Management** is responsible for establishing and implementing a system for identifying, evaluating, monitoring, managing and reporting to the Board on material risks to the Group.

6 Additional risk management policies and practices

- 6.1 In addition to the risk management process described in this Policy, the Group has the following procedures and practices in place that is designed to manage specific business risks:
 - (a) an insurance program which is reviewed by the Board;
 - (b) regular budgeting and financial reporting;
 - (c) the Group’s business plan;
 - (d) corporate strategy guidelines and procedures to review and approve the Group’s strategic plans;
 - (e) legal commitment and expenditure exceeding certain levels must be submitted to the Board for approval;
 - (f) procedures/controls to manage financial exposures and operational risks;
 - (g) procedures/controls to manage environmental and occupational health and safety matters;

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- (h) oversight of the Group's financial affairs by the Audit and Risk Committee;
- (i) regular performance reporting enabling the identification of performance against targets and evaluation of trends;
- (j) a health and safety policy and management standards to ensure that the Group complies with its obligations and responsibilities in relation to health and safety, environmental issues, and the communities in which it operates; and
- (k) ongoing training and development programs.

6.2 Additionally, all other significant areas of the Group's operations are subject to regular reporting to the Board, including development, finance, legal, food safety, and workplace health and safety.

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