



Risk Management Policy

Rubicon Water Limited (ACN 651 852 470)

Adopted by the Board on 12 July 2021

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1 Introduction

The identification and proper management of Rubicon Water Limited's (ACN 651 852 470) (the Company) risks are an important priority of the board of directors of the Company (Board). This risk management policy provides a framework for how the Board identifies, analyses and monitors any risks that the Company is subject to.

This is a group-wide policy and applies to all operations of the Company.

2 Risks

The risks faced by the Company include, but are not limited to:

- (a) Compliance risk
- (b) Investment risk
- (c) Legal risk
- (d) Governance risk
- (e) Financial risk
- (f) Reputation risk
- (g) Operational and execution risk
- (h) Strategic risk
- (i) Environmental risk
- (j) Social sustainability risk
- (k) Credit risk
- (l) Regulatory risk
- (m) Market risks

3 Responsibility

Responsibility for risk management is shared across the organisation. Key responsibilities include:

- (a) The Board is responsible for overseeing the establishment and approving the Company's risk management framework (for both financial and non-financial risks) including its strategy, plans policies, procedures and systems and adopting and approving a risk appetite statement within which the Board expects management to operate.
- (b) The Board has delegated to the Audit and Risk Committee responsibility for:
- (c) overseeing the establishment of and recommending to the Board for approval an appropriate risk appetite statement for the Company;
- (d) monitoring and annually reviewing the Company's risk appetite statement to satisfy itself that it continues to be current and relevant to the Company and advise the Board on its adoption;

- (e) identifying major risk areas;
- (f) monitoring the effectiveness of and annually reviewing the Company's risk management framework and risk management plan to satisfy itself that they continue to be sound and that the Company is operating with due regard to the risk appetite statement approved by the Board;
- (g) ensuring that risk considerations are incorporated into strategic and business planning;
- (h) providing risk management updates to the Board and any supplementary information required to provide the Board with confidence that key risks are being appropriately managed;
- (i) overseeing the establishment of and approving the Company's crisis management plan;
- (j) overseeing the establishment of and annually reviewing and approving the Company's compliance plan and reporting on the effectiveness of the compliance plan at each meeting of the Committee;
- (k) reviewing the Company's financial statements and reports;
- (l) in relation to the Company's financial reporting, without limitation:
 - (i) reviewing the suitability of the Company's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
 - (ii) assessing significant estimates and judgements in financial reports;
 - (iii) assessing information from the external auditor to ensure the quality of financial reports; and
 - (iv) recommending to the Board whether the financial and associated non-financial statements should be signed based on the Committee's assessment of them.
- (m) the Company's entry into, approval or disclosure of related party transactions (if any);
- (n) overseeing the Company's financial controls and systems;
- (o) managing audit arrangements and auditor independence, including considering whether an internal audit function is required and, if not, ensuring that the Company discloses the processes it employs to evaluate and improve its risk management and internal control processes; and
- (p) ensuring that any periodic corporate report the Company releases to the market that has not been subject to audit or review by an external auditor discloses the process taken to verify the integrity of its content.
- (q) The Company's management is responsible for establishing the Company's risk management framework, including identifying major risk areas and developing the Company's policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks.
- (r) The Chief Executive Officer and Chief Financial Officer are to provide to the Board declarations in accordance with section 295A of the Corporations Act.

Each employee and contractor is expected to understand and manage the risks within their responsibility and boundaries of authority when making decisions and undertaking day to day activities.

4 Reporting

It is the responsibility of the Audit and Risk Committee to report to the Board about the Company's adherence to policies and guidelines approved by the Board for the management of risks.

The Chief Executive Officer, Chief Financial Officer and Chief Risk Officer are each responsible for reporting to the Audit and Risk Committee any proposed changes to the risk management framework and to that committee and to the Board any exposures or breaches of key policies or incidence of risks, where significant.

5 Dealing with risks

Risk issues will be identified, analysed and ranked in a consistent manner. The Company will deal with risks in the following way:

- (a) Identify the nature of the risk
- (b) Analyse, evaluate and determine the seriousness of such risk, and who the risk is to be reported to
- (c) Develop a risk mitigation plan
- (d) Implement the risk mitigation plan
- (e) Monitor and report progress of risk mitigation plan
- (f) Report and remedy exceptions and breaches

6 Review

The Audit and Risk Committee will review this policy at least annually or earlier if required by a change in circumstances.

The Audit and Risk Committee will submit any amendments required to the Board for approval.



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