
Risk Management Policy

Retail Zoo Holdings Limited (ACN 169 039 721)

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1 Introduction

The identification and proper management of Retail Zoo Holdings Limited (ACN 169 039 721) (**Retail Zoo**) risks are an important priority of the board of directors of Retail Zoo (**Board**). This risk management policy provides a framework for how the Board identifies, analyses and monitors any risks that Retail Zoo is subject to.

This is a group-wide policy and applies to all operations of Retail Zoo.

2 Risks

The risks faced by Retail Zoo include:

- Asset management risk
 - Compliance risk
 - Governance and management risk
 - People risk
 - Environmental risk
 - Business model risk / change management risk
 - Financial risk
 - Legal risk
 - Reputation risk
 - Products / services risk
 - Information technology and operational technology risk
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3 Responsibility

Responsibility for risk management is shared across the organisation.

Key responsibilities include:

- The Board is responsible for overseeing the establishment and approving Retail Zoo's risk management framework (for both financial and non-financial risks) including its strategy, policies, procedures and systems and setting the risk appetite within which the Board expects management to operate.
- The Board has delegated to the Audit and Risk Committee responsibility for:
 - identifying major risk areas;
 - reviewing (at least annually) and monitoring the effectiveness of Retail Zoo's risk management framework to satisfy itself that it continues to be sound and that Retail Zoo is operating with due regard to the risk appetite set by the Board;

- ensuring that risk considerations are incorporated into strategic and business planning;
 - 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;
 - reviewing Retail Zoo's financial statements and reports;
 - in relation to Retail Zoo's financial reporting, without limitation:
 - reviewing the suitability of Retail Zoo's accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
 - assessing significant estimates and judgements in financial reports;
 - assessing information from the external auditor to ensure the quality of financial reports; and
 - recommending to the Board whether the financial and associated non-financial statements should be signed based on the Committee's assessment of them.
 - Retail Zoo's entry into, approval or disclosure of related party transactions (if any);
 - overseeing Retail Zoo's financial controls and systems;
 - managing audit arrangements and auditor independence, including considering whether an internal audit function is required and, if not, ensuring that Retail Zoo discloses the processes it employs to evaluate and improve its risk management and internal control processes; and
 - ensuring that any periodic corporate report Retail Zoo 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.
- Retail Zoo management is responsible for establishing Retail Zoo's risk management framework, including identifying major risk areas and developing Retail Zoo's policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks.
 - 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 Retail Zoo's adherence to policies and guidelines approved by the Board for the management of risks.

The Chief Executive Officer and Chief Financial 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.

Retail Zoo will deal with risks in the following way:

- Identify the nature of the risk
 - Determine the seriousness of such risk, and who the risk is to be reported to
 - Develop a risk mitigation plan
 - Implement the risk mitigation plan
 - Monitor and report progress of risk mitigation plan
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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.