

# Risk Management Policy

## Kyron Capital Group

### 1. Purpose and Scope

#### Purpose

This Policy is a statement that forms part of the overall approach to the enterprise risk management framework for the Kyron Capital Group (Group). Its purpose is to ensure that the Group has a Risk Management Framework which is both comprehensive and systematic and responds to the strategic goals and objectives of the business. Its purpose is also to ensure that the Group meets its legislative and regulatory requirements under s912A(1)(h) of the Corporations Act 2001, ASIC Regulatory Guide 259 and the Australian Securities Exchange Corporate Governance Principles and Recommendations, to maintain adequate risk management systems.

#### Scope

This Policy applies to all operations and activities of the Group, including the Group's two Responsible Entities, Kyron Managed Funds RE Limited (AFSL 398 196) and Kyron Group RE Limited (AFSL 700 092). This policy applies to all directors and employees in all legal entities owned, established, or managed by Kyron Capital Group and to the maximum extent possible, to the agents and contractors that act for and on behalf of Kyron Capital Group and its legal entities.

### 2. Risk Management Approach and Framework

Kyron Capital Group is committed to continually reviewing and improving the management of risk across the Group from an operational, portfolio, financial and strategic standpoint. For risk management to be effective, all operations must apply the appropriate principles to the context of their business sector and its objectives.

- Risk management is integrated into organisational processes and embedded in Elanor Investors Group's culture.
- Explicit risk management helps decision-makers make informed choices.
- Risk management is focused on the sources of uncertainty around the achievement of objectives.
- Risk management must be tailored to the context and be fit for purpose.
- Risk management is dynamic, iterative, and responsive to change.

The Board establishes and oversees the Group's risk appetite which is documented in the Risk Appetite Statement (RAS). The RAS is monitored by Management and the Board to ensure that key risks are suitably managed within the approved RAS. The RAS may also be reviewed to take account of significant changes to the Group's Business.

The Group enterprise Risk Management Framework incorporates risk management process and systems to:

- Identify the risks to which the Group is exposed (including strategic, transactional, financial, operational, external and compliance risks).
- Assess the risks to decide if they are acceptable with existing controls or need additional treatment.
- Identify treatment options for unacceptable risks and develop a risk treatment plan for unacceptable risks.
- Implement risk controls that are assessed as necessary and monitor the controls to ensure they are implemented as intended.
- Regularly review the effectiveness of the implementation of treatment controls.
- Periodically review the context of the Group and the risks to which it is exposed to ensure that all risks (including new risks) have been identified.

- Report to Management, the Audit and Risk Committee and the Board on risk management.

### 3. Responsibility

Responsibility for risk management is shared across the Group.

| Role                                  | Responsibility                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Board</b>                          | The Board is ultimately responsible for oversight of Risk Management of the Group and is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective Risk Management Framework. The Board's Charter details the activities the Board is responsible for.                                      |
| <b>Audit and Risk Committee (ARC)</b> | To assist the Board in fulfilling its risk management duties by overseeing and reviewing the Group's risk profile and framework and management's actions for the identification, response, and reporting of material business risks, and to provide recommendations to the Board in regard to risk management.                                                           |
| <b>Executive Committee (ExCo)</b>     | Responsible for the Group's Risk Management Framework and culture of risk management at Kyron. Each member is accountable for developing and promoting this in their area. The Committee, with the Chief Risk Officer, ensures established procedures and practices to ensure identification of, and appropriate controls for, the risks within specific business units. |
| <b>Executive Risk Committee (ERC)</b> | Assists the Executive Committee and Chief Risk Officer in the continual improvement and operationalisation of the Group's enterprise risk management framework and culture. The Committee also assists the Audit and Risk Committee by providing guidance in relation to the Risk Framework and parameters prior to recommendation and approval by the Board.            |
| <b>Employees</b>                      | Are responsible for managing the risks relative to their areas of responsibility and ensuring they comply with all legislative, regulatory and company policy requirements. This includes timely reporting of any identified risks to an appropriate level of management.                                                                                                |

### 4. Related Policies, Procedures and Guidelines

The Policy should be read in conjunction with the following policies, procedures, or guidelines:

- Risk Management Framework
- Risk Appetite Statement
- Compliance Manual
- AML/CTF Program
- Group Code of Conduct
- Anti-bribery and Anti-Corruption Policy
- Group Work Health & Safety Policy
- Whistleblower Policy
- Corporate Governance Statement
- Delegations of Authority
- Cyber Security Policy

## 5. Review

This Policy will be reviewed annually, or earlier if required, allowing for change in legislative or regulatory requirements, emerging risk, changes to the industries in which the Group operates and/or changes in operations.