

RISK MANAGEMENT POLICY

Introduction and purpose

ARN Media Limited (**ARN**) and its subsidiaries (the **ARN Group**) is committed to the consistent, proactive and effective monitoring and management of risk throughout each of its business divisions (**Divisions**) and the ARN Group as a whole.

Risk management is fundamental to the enhancement of shareholder value and the implementation of the strategic, operational and financial objectives of the ARN Group.

This document sets out the risk management policy of the ARN Group adopted by the Board of ARN (**Board**).

The objective of the policy is to facilitate a consistent approach to risk management and the reporting of risk across the ARN Group.

The Risk Management Policy forms part of the ARN Group’s Risk Management Framework, and applies to all employees, directors, contractors, consultants and all other people when they represent the ARN Group (**ARN Personnel**).

Risk Management Principles	<p>Based on the principles of risk management as per standard AS/NZS ISO 31000:2009 – Risk Management, risk management should:</p> <ul style="list-style-type: none"> a) create and protect value b) be an integral part of ARN’s processes c) facilitate decision making d) explicitly address uncertainty e) be systematic and structured (where necessary) f) be based on the best available information g) be tailored to the requirements of Divisions and the Group h) take human and cultural factors into account i) be transparent, inclusive and dynamic j) facilitate continual improvement.
ARN’s Risk Management Framework	<p>ARN’s Risk Management Framework outlines the ARN Group’s risk management processes, the roles and responsibilities of key stakeholders, documentation and reporting requirements.</p> <p>The operationalisation of the Risk Management Framework is documented within the ARN Group’s <i>Risk Management Guidelines</i>.</p>
Roles & Responsibilities	<p>Board: Ultimate responsibility for the effectiveness, oversight and implementation of the ARN Group’s approach to risk management.</p> <p>Audit & Risk Committee: Responsible for the oversight and independent review of the Company’s and Group’s risk management framework and assisting the Board to discharge its oversight responsibility for risk management.</p> <p>Group CEO and CFO: Responsible to the Board and Audit & Risk Committee for:</p>

	<ul style="list-style-type: none"> • the management of strategic, operational and financial risk of the Group. • monitoring progress against financial and operational performance targets. • driving a culture of risk management throughout the ARN Group. <p>Divisional CEO and Functional Head: Responsible for:</p> <ul style="list-style-type: none"> • the day to day identification, assessment and management of risks. • implementation of risk management controls, processes and policies and procedures appropriate for their businesses. • driving a culture of risk management. <p>Risk Function: Responsible for providing guidance where required and developing tools, templates and policies that facilitate the identification, management and reporting of risk and support the overall Risk Management Framework.</p>
<p>Risk Profile</p>	<p>The ARN Group is a media and entertainment company.</p> <p>As ARN Group is a media and entertainment group operating in Australia and Hong Kong, the ARN Group is subject to diverse types of risk including, but not limited to:</p> <ul style="list-style-type: none"> a) Governance, Risk & Compliance b) Strategy & Planning c) Brands & Reputation d) Content Development, Production & Distribution e) Infrastructure f) Information Technology - Infrastructure g) Information Technology – Cyber security <p>While currently the ARN Group has no material exposure to specific environmental or social sustainability risks, ARN continues to monitor and update the risk profile as required.</p>
<p>Risk Appetite</p>	<p>Risk appetite is defined as the level of risk ARN is willing to accept to achieve its organisational objectives.</p> <p>ARN’s risk appetite influences and guides decision making, clarifies strategic intent and ensures choices align with the capabilities of ARN.</p> <p>ARN recognises that in order to achieve its strategic objectives it must be willing to take and accept informed risks. Risks relating to innovation, attracting and retaining talent and content to drive audiences, and address the needs of advertisers are encouraged within defined parameters. However, in doing so it is not acceptable to trade off financial or strategic returns by compromising compliance with the law, the safety of ARN’s Employees and ARN’s reputation as a responsible corporate citizen.</p> <p>When setting the appetite for taking and accepting risk, ARN also considers the risk posed by inaction in what is a fast-paced and disrupted market.</p>

	ARN's current risk appetite is detailed separately in its Risk Appetite Statement.
Assessment of effectiveness	<p>The ARN Group's approach to risk management is assessed at least annually by the Audit & Risk Committee in order make a recommendation to the Board on the appropriateness of the Risk Management Framework.</p> <p>The Internal Audit function, which reports directly to the Audit & Risk Committee, will include activities in its plan of work that assesses the implementation of the Risk Management Framework.</p>
Review	The Audit & Risk Committee may make recommendations to the Board to amend this policy should the need arise either from their annual review of this policy, or their annual assessment of the Risk Management Framework.
Date of approval	This policy was approved by the Board on 19 October 2022.