



# RISK MANAGEMENT POLICY

MIRVAC GROUP

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## 1.0 MIRVAC GROUP APPROACH TO RISK MANAGEMENT

Risk is inherent in our business. The identification and management of risk is central to the delivery of our Strategy. Risk will manifest itself in many forms and has the potential to impact the health and safety, environment, community, reputation, regulatory, operational, market and financial performance of the Group and, thereby, the achievement of our Strategy. Risk management is a key element of effective corporate governance. Recognising this, Mirvac Group has a risk management policy and framework for identifying and managing the Group's risks.

## 2.0 BALANCING RISK AND REWARD

The Mirvac Group Risk Management Policy recognises the Mirvac Group Board's (Board) obligation and desire to create wealth for the security holders of the Mirvac Group and to maximise value for the unit holders of its listed and unlisted, retail and wholesale investment vehicles. The Board acknowledges that to achieve the economic expectations of the Group's security holders and unit holders, Mirvac will need to pursue business development and investment opportunities that will involve risk. By understanding and managing risk we provide greater certainty and confidence to our various stakeholders including security holders, unit holders, employees, customers and suppliers, and for the communities in which we operate. Successful risk management can be a source of competitive advantage, and as such, risk management will be embedded into our critical business activities, functions and processes. Risk understanding and our tolerance for risk will be key considerations in our decision making.

## 3.0 RISK MANAGEMENT STRATEGY

Our policy is to give risks our full and due consideration and implement appropriate controls and reporting measures to effectively manage these risks. Monitoring and reporting of risks, issues and incidents are given high priority. Mirvac views risk management as a continuous process.

Mirvac's Risk Management Policy ensures the systematic identification, assessment, management and communication of all material risks associated with our business and operations. The policy utilises the Australian Standard for risk management, AU/NZS/ISO 31000, which delineates mandatory processes and specific accountabilities as well as the ASX Corporate Governance Principles.

## 4.0 RESPONSIBILITIES AND GOVERNANCE

The Mirvac Board of Directors is responsible for supervising risk across all entities within the Group. In turn, this authority has been delegated in part to the Audit Risk and Compliance Committee (ARCC). Specifically, the Responsible Entities and Trustee Board of Directors of Mirvac managed entities are responsible for ensuring there is a robust system of risk management consistent with this Risk Management Policy. ARCC will also have oversight for the establishment, implementation and supervision of these entities' risk management practices.

ARCC advises the Board on risk management and is responsible for ensuring the existence of policies for approval by the Board and for reviewing the ongoing effectiveness of Mirvac's approach to risk management. The Managing Director and Executive Leadership Team are responsible for the implementation of the Risk Management Policy and for recommending to the Board process and policies appropriate for the good governance of the Group and its entities.

The various Investment Committees and Investor Committees for each investment vehicle will remain primarily responsible for the management of the investment vehicle's risk. They will, in turn, report to the relevant Responsible Entity/Trustee Board on a regular basis on the status of the investment vehicle's risk exposure, risk controls and mitigants. These Committees will be assisted in the performance of their roles by divisional risk and compliance management committees, generally chaired by the CEO of that Division.

## 5.0 REGULATORY COMPLIANCE MANAGEMENT

As noted above, regulatory risk is a key risk that has the potential to adversely impact the achievement of Mirvac's Strategy. Regulatory risk is the risk of regulatory sanctions, material financial loss, or adverse reputational impact that Mirvac may suffer as a consequence of its failure to comply with laws, rules and regulations ('regulatory requirements') applicable to the conduct of its business and affairs.

Mirvac will give applicable regulatory risks its full and due consideration. The core principles for Mirvac's approach to regulatory compliance risk management are:

- Compliance management is the responsibility of all Workplace Participants (being the non-executive Directors, employees and contractors);
- Mirvac and its Workplace Participants comply with both the letter and spirit of regulatory requirements and we do not attempt to evade or delay compliance;
- Regulatory requirements are embedded into Mirvac's day to day business activities.

Any Workplace Participant who detects an issue that may be an actual, potential or likely breach of a regulatory requirement is responsible for immediately reporting it to their manager (or, in their absence, the Mirvac Risk Management team). The relevant manager must then immediately notify the Risk Management team to assist in the assessment, management, resolution and reporting of the matter.

Where a Workplace participant does not feel at ease reporting an issue or a breach internally, they can use the Mirvac Open Line facility as an alternative means to report the matter [here](#).

## 6.0 REGULAR REVIEWS AND BOARD COMMITMENT

The Risk Management Policy and underlying strategies will be reviewed at least every two years by the Board to ensure its continued application and relevance. Management review of the implementation and effectiveness of this policy is also undertaken regularly by Mirvac's Executive Leadership Team and the Responsible Entities and Trustee Board of Directors of Mirvac managed entities. The Mirvac Group is committed to effective risk management and recognises it as a core managerial capability. All employees are expected to be risk managers.

Employees who knowingly and recklessly operate outside the Risk Management Policy and framework of the Group will be subject to disciplinary action.

## 7.0 APPROVED AND ADOPTED

This policy was approved and adopted by the Mirvac Group Board on 8 December 2014.