

## RESPONSIBLE ENTITY RISK MANAGEMENT STATEMENT

### PURPOSE

Ingenia Communities recognises its responsibility to implement and regularly assess the effectiveness of the risk management framework it has in place. This includes the identification, assessment and prioritisation of risk as defined in ISO 31000 followed by coordinated and economical application of resources to understand the reward to risk balance in accordance with the Boards risk appetite and appropriately manage this across the Group.

### PROCESS

Risk Management is defined as the process for identifying and measuring the risks, putting in place controls to manage those risks and monitoring the effectiveness of those controls.

Risk management is a requirement flowing from a number of sources:

- ASX Corporate Governance Principles & Recommendations, Principle 7 – Recognise and Manage Risk;
- ASIC's policy on the required contents of a compliance plan, including addressing risk management;
- ISO 31000-2009 Risk Management Principles and Guidelines (currently under review);
- ASIC Regulatory Guides 104 and 259; &
- Obtaining and maintaining the Ingenia Communities RE Ltd Australian Financial Services licence which is subject to the conduct obligations of Chapter 7 of the Corporations Act 2001 (Cth), and as such, is obligated to have adequate risk management systems (see s912A(1)(h)).

Risks are a part of Ingenia Communities operations and include risks across investment, operations, liquidity, market and strategy.

In taking these requirements into consideration, the major risks identified, the measures to control those risks and methods to monitor the effectiveness of the controls are largely set out in the Ingenia Communities Group Risk Framework and the Ingenia Communities (ICMT & ICF) Compliance Plans.

The Risk Management Committee assess the risks associated with all areas of the Group in accordance with the Framework, and how those risks are addressed in the policy and procedures, through an ongoing review of the various areas of business. The output of these reviews is the editing of the policies and procedures, and if required translated to the Compliance Plans.

Management report to the Audit and Risk Committee quarterly, certifying that the requirements of the Compliance Plans have been met. This certification process is divided down to various “Responsible Managers”, who sign off on their individual areas of responsibility.

The adequacy of the Compliance Plan, including the risk management process, is formally reviewed by management and the Board Audit and Risk Committee at least annually.

An external audit of the Compliance Plan is also conducted annually, which addresses the adequacy of the Compliance Plans and management’s adherence to those plans. A copy of the external audit report is provided to the Audit and Risk Committee and ASIC.

## RESPONSIBILITY

### *Board*

The Board of Ingenia Communities is ultimately responsible for ensuring a sound risk management framework is in place.



### *Audit and Risk Committee*

The Audit and Risk Committee assists the Board in discharging its risk management responsibilities and has oversight of the Group’s risk management framework. They are responsible for identifying and overseeing any major risks as well as an annual assessment that effective systems are in place to manage them. This has included the implementation of both Risk Management Committees.

### *Risk Management Committees*

The Risk Management Committees ie Group Risk Management, which deals with Financial Services risk and Operational Risk which deals with the operating business risk are both executive committees established to assist the Audit and Risk Committee in fulfilling its risk responsibilities. The Risk Management Committees are responsible for overseeing the Ingenia risk culture and framework across the business. This Committees are also responsible for carrying out regular risk assessments on the Group.

### **WORK HEALTH, SAFETY AND ENVIRONMENTAL RISK MANAGEMENT**

Ingenia Communities understands that it has Work Health, Safety and Environmental obligations to address risks under the Work Health and Safety Act 2011 and Work Health and Safety Regulations 2011 and all other legislation and standards relevant to Ingenia Communities operations. These risks are maintained under separate framework and supporting documentation. This documentation is continually improved through review and update of the Ingenia Communities Risk Management Standards and associated procedures.

### **RESOURCES**

Management of Ingenia Communities has allocated adequate resources to implement and manage compliance and risk management providing adequate training and support to ensure all employee understand and comply with all relevant laws, regulations, codes and organisational standards. All employees have access to management, as well as a dedicated Compliance Manager for advice. Education and training of all employees in relation to compliance and risk management is an ongoing part of operations and overall commitment to compliance risk management awareness in the organisation.

### **REVIEW AND AMENDMENT**

The Risk Management Committee will review and update this policy as necessary and not less than every two years.