

Risk Management Policy

Qube Holdings Limited

ACN 149 723 053

1. Background and purpose

The Qube Board is responsible for approving and reviewing the effectiveness of the Qube group's system of internal control and risk management. To strengthen the relationship between risk management and strategic and operational planning, the Managing Director (**MD**) has principal responsibility for risk management, supported by the Chief Financial Officer (**CFO**).

The Board has established a risk management framework which incorporates a formal, Board-approved Risk Appetite Statement (**RAS**) setting the parameters within which the Board expects management to operate.

The objective of the risk management framework is to provide a formal process for Qube to:

- align its culture and behaviours with Qube's purpose, values, strategic objectives and RAS;
- develop and implement procedures to ensure that risks are identified, assessed against an accepted criteria and that appropriate measures are implemented; to effectively manage risks;
- respond to risks and opportunities for continuous improvement;
- define and document responsibilities and processes; and
- provide assurance that risks are reported appropriately.

The purpose of this policy is to set out how risk will be controlled at all levels of the business, including the identification, consideration, reporting and ongoing management of risks.

In accordance with the risk management framework, the Board has delegated the oversight responsibility for risk management and internal control of major risks of Qube to the Audit and Risk Management Committee (**ARMC**) and, in respect of risks relating to safety, health, environment and operational matters, to the Safety, Health and Sustainability Committee (**SHSC**).

Each of the ARMC and the SHSC will meet regularly to review the effectiveness of Qube's risk management systems, processes and internal controls and will report its findings to the Board.

2. Risk Management

2.1 Operating level

To build a culture of risk awareness and a sense of ownership of risk, each of the operating business units controlled by Qube has its own risk management leadership teams that meet regularly to review the risk profile of the business. Those teams include the respective Business Unit Director and senior managers who have a strong understanding of the relevant business along with deep industry and operational experience, and who are best equipped to identify current and emerging risks.

Each Business Unit Director is responsible for maintaining and reviewing the risk profile of its business on a regular basis. In addition, they review key risks, mitigating actions and associated matters with the MD and CFO on a regular basis, including in monthly business performance reviews.

2.2 Identification of risks

Each Qube business unit is responsible for identifying, assessing and managing material risks to their business through their risk management leadership teams in accordance with the RAS. These include assessment of financial risks and non-financial risks such as safety, economic, environmental and social sustainability risks.

Each Qube business unit regularly communicates and reports on its key risks. On a periodic basis the risks are formally reviewed and consolidated into an overall group risk register. These registers are prepared by the CFO and assessed by the MD in consultation with senior management to ensure that each business unit and material associate has an effective risk management process in place, and that the risk register accurately reflects all current key risks of the Qube Group and its associates.

At a business unit and Group level, key risks are identified and regularly discussed through a combination of formal and informal management interactions including:

- annual operating plan preparation and budget reviews;
- monthly business performance reviews;
- regular and formal executive and key management committee meetings covering Investment opportunities, Net Zero, Information Security and Infrastructure, Safety, Health and Sustainability and Technology Systems and Innovation; and
- regular site visits and operational management (and customer) engagement.

2.3 Internal controls

Qube has a number of corporate assurance checks and balances in place to ensure effective internal control across the business.

These include:

- group and business level processes, policies, controls and systems;
- management oversight at multiple levels, including a rigorous budgeting and review process and weekly/monthly performance monitoring;
- internal and external audit programs; and
- Board and Board committee governance and oversight.

3. Board oversight

The MD and CFO collate business unit risk updates, combine them with Group level risks, and are responsible for reporting them to the Board, together with a summary of the group and business level internal controls and their effectiveness.

Reporting is initially to each of the ARMC and the SHSC at least twice per year or more regularly:

- via standard periodic committee reports if there arises any material change to current or emerging risks; or
- as may be requested by either of these committees.

Summaries of these reviews and the committees' consideration are then communicated to the Board.

4. Policy Review

This policy will be reviewed periodically by the ARMC.