McPherson's Limited
Risk and Compliance Policy and Framework

July 2025

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Risk and Compliance Policy and Framework

1. INTRODUCTION

(a) The Directors of the McPherson's Limited (**Company**) Board recognise that, as Directors of a publicly listed company on the Australian Securities Exchange (**ASX**), they have legal, fiduciary and common law duties to the Company's shareholders and other stakeholders to ensure that the Company's financial and non-financial risks and compliance obligations (including emerging risks and compliance obligations) are identified, prioritised, evaluated for materiality and, where appropriate, monitored, reported on and managed to minimise losses and maximise opportunities.

(b) The Company considers ongoing risk management and compliance to be a core component of the management of its business and understands that the ability to identify and address risk and compliance issues effectively is central to achieving its strategic goals and objectives.

(c) This document sets out how the Company seeks to ensure appropriate risk and compliance management practices and processes are embedded within its culture for both existing and emerging risks and compliance obligations. In addition, in this document risks and compliance obligations refers to both existing and emerging risks and compliance obligations.

(d) The Board has established, under a charter, a Risk & Compliance Committee which has the duty and responsibility to oversee the risk and compliance management function of the Company and to set the tone for risk and compliance management within the Company.

(e) The Board has approved this policy and framework for the Company.

2. RISK AND COMPLIANCE FRAMEWORK

2.1 Commitment

(a) The Board has a commitment to effective risk management and compliance for the Company and McPherson's Group, as a whole. The Board also expects the same commitment from the Company's employees, contractors (including sub-contractors), consultants, suppliers and customers.

(b) To achieve this, the Company has clearly defined the responsibility and authority of the McPherson's Board to oversee and manage the risk management and compliance framework, while conferring responsibility and authority on the Company's Risk & Compliance Committee and management to develop and maintain a risk management and compliance framework that is fit for purpose and appropriate for the current and evolving needs of the Company.

(c) Further, to support the Company's strategic objectives, the Company:

(i) aims to use effective and efficient risk management and compliance practices to support and enhance its operations;

(ii) aims to maximise compliance with all the Company's policies, procedures, standards and processes;

(iii) will ensure risk management and compliance is an integral part of its decision-making processes;

(iv) will use structured risk management and compliance programs to minimise reasonably foreseeable disruption to operations, harm to people, property and the environment; and

(v) will strive to continually improve its risk management and compliance practices and to ensure remediation action is taken where necessary and appropriate.

2.2 Identification, analysis and evaluation

(a) The Company's risk management and compliance program comprises a series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its material financial and non-financial risks and compliance obligations.

(b) The Company has also adopted processes for identifying emerging risks and compliance obligations affecting the Company. This may be achieved through a number of ways including assistance and advice from professional advisers, communications from industry bodies, professional associations, statutory bodies and regulators and continuing professional development of directors and employees.

(c) The Company seeks to define risks, identify compliance obligations and prepare risk profiles and action plans according to its strategic goals and objectives. In identifying, assessing, controlling and measuring risk the Company focuses primarily on those risks that are assessed as having the potential to significantly impact the Company's performance.

(d) For risk management, this involves the Company conducting an overview of each material risk, undertaking an assessment of the risk level and preparing action and mitigation plans and steps to address and manage the risk. The Company reviews its material risks on a quarterly basis to ensure that they remain consistent with the Company's business operations.

(e) For compliance, this involves identifying material compliance obligations, determining whether and to what extent the Company is complying with those obligations and undertaking any remediation actions to achieve compliance if there is any inadequacy.

(f) The Company regularly reviews its risk management and compliance practices to ensure they are operating effectively and are consistent with legal requirements.

2.3 Principle systems, policies and documents

(a) The Company has implemented a risk management Software as a Service (SaaS) solution from Diligent to manage its risk register.

(b) The Company has, amongst other things, implemented the following policies and procedures which are designed to ensure awareness of, and compliance with applicable laws and regulations as well as the Company's corporate policies and procedures relating to the operation of its businesses:

(i) **Ethical & Responsible Business Conduct Policy** - this code applies to and requires all employees, officers and Directors to conduct themselves with respect for the law, having respect and dignity for others and also to act with honesty, fairness and integrity;

(ii) **Whistleblower Policy and Whistleblower Hotline** – the Company has established a hotline which provides an avenue for any individual to anonymously report information to authorised individuals in the Company (through a third-party provider) about potential violations of laws and regulations and the Company's policies or procedures so that they can be acted upon, as appropriate;

(iii) **Risk Management Procedure** – this procedure sets out how the principles relating to risk in this policy and framework are implemented; and

(iv) **Compliance and Incident Reporting Procedure** - this procedure sets out how the principles relating to compliance in this policy and framework are implemented.

(c) The Company's policies and procedures are:

(i) regularly reviewed and, where appropriate, updated to ensure that they continue to be relevant and effective; and

(ii) published on the Company's employment portal.

3. ROLES AND RESPONSIBILITIES

3.1 Board

(a) The Board is ultimately responsible for:

(i) determining the nature and extent of the risks that the Company is prepared to take to meet its goals and objectives (and in that regard will consider and, if thought appropriate, approve (and regularly review) a risk appetite statement; and

(ii) compliance with the Company's legal obligations.

(b) With the assistance of the Audit Committee and the Risk & Compliance Committee, the Board will be responsible for overseeing the establishment and implementation of the organisation's risk management, compliance obligations and internal controls.

(c) The Board will also be responsible for reviewing, at least annually, this policy and framework against the Company's business operations to satisfy itself that the Company continues to operate within the risk appetite set by the Board.

(d) The Board will also ensure that it discloses, in each annual report, whether such a review has been undertaken and any changes which have been made to the Company's risk management and compliance framework based on such review.

3.2 The Audit Committee and the Risk & Compliance Committee

(a) The Audit Committee and the Risk & Compliance Committee (as appropriate) will assist the Board in:

(i) managing and monitoring the implementation of action and mitigation plans and steps developed to address material risks and compliance obligations within the Company and regularly reviewing the progress of such plans and steps;

(ii) monitoring and reviewing corporate risks, compliance obligations and internal controls;

(iii) monitoring training programs which are implemented with respect to corporate risks, compliance obligations and internal controls;

(iv) monitoring compliance with the Company's policies;

(v) monitoring and reviewing complaints received through the Company's Whistleblower Hotline;

(vi) requiring management to report annually on the operation of the organisation's internal controls;

(vii) monitoring compliance with the Corporations Act and ASX Listing Rules;

(viii) monitoring risks relating to business continuity, disaster recovery, occupational health and safety, reputation, and currency/interest rate exposures;

(ix) implementing remediation plans which are identified by the Audit Committee and the Risk & Compliance Committee in the discharge of their respective roles and responsibilities; and

(x) monitoring the adequacy of group and subsidiary insurance coverage.

(b) In accordance with its charter, the Risk & Compliance Committee will be required to regularly report to the Board on the status of material business risks and compliance issues which are identified by the Committee.

3.3 Chief Executive Officer and Managing Director

The Board has delegated responsibility for implementation of this policy and framework to the Chief Executive Officer and Managing Director.

3.4 General Counsel & Company Secretary

(a) Together with the responsibilities listed below for management, the General Counsel & Company Secretary is responsible for ensuring that a sound system of risk management, compliance and control systems are operating effectively in all material respects and that such system underpins the integrity of the Company's activities and financial reporting.

(b) The General Counsel & Company Secretary delegates the day-to-day management of the system of risk management to their direct reports.

3.5 Management

Management is responsible:

(a) for the development and communication of risk management, compliance processes and controls on a day-to-day basis within their functions and to encourage all employees to manage risk and to be compliant with the Company's legal and other obligations;

(b) to identify, document and communicate risk management and compliance exposures in the Company's business activities;

(c) to actively promote and participate in risk management and compliance within the Company and to integrate risk management and compliance processes into business practices, decisions and its other activities;

(d) to provide employees with access to the Company's risk management and compliance policies and procedures, tools and training materials and access to the General Counsel & Company Secretary, the Board, and the Whistleblower Hotline;

(e) to work with and support the General Counsel & Company Secretary to integrate risk management and compliance policies, procedures and practices in their areas of responsibility and operation;

(f) to assist in the implementation of a risk management and compliance reporting system, a system for the sourcing of complaints (such as a Whistleblower Hotline) and risk management and compliance performance indicators;

(g) to assist in the analysis of risk management and compliance performance and to identify areas for improvement; and

(h) to ensure that participation in risk management and observance of compliance obligations are included in position descriptions and third-party service contracts.

3.6 McPherson's Employees

(a) All McPherson's employees, including management, should:

(i) manage risk and compliance issues relating to the operation of the Company's business and their particular role in accordance with this policy and framework;

(ii) perform their role in an ethical, lawful and safe manner;

(iii) undertake required training in accordance with the compliance program or in relation to any Company policy, process or procedure; and

(iv) report risk management or compliance failures, concerns and issues to their line manager, the General Counsel & Company Secretary or the Board through the Whistleblower Hotline; and

(v) acknowledge that they have read and understood this policy and framework;

(b) Each employee is responsible for managing risks and compliance within their area of responsibility and complying with all applicable laws, regulations and Company policies and procedures.

(c) A failure to properly manage material risks or to act in compliance with all applicable laws, regulations, Company policies and procedures may result in adverse employment consequences (up to and including termination of employment) for the individuals involved.

(d) In appropriate cases, the Company will inform law enforcement agencies of any breach of the criminal law.

4. REVIEW OF RISK AND COMPLIANCE FRAMEWORK

(a) The Company will regularly review and evaluate the effectiveness of its risk and compliance policy and framework to ensure that its internal control systems, policies, procedures, standards and processes are monitored and updated on an ongoing basis.

(b) The division of responsibility between the Board, the Risk & Compliance Committee and management, aims to ensure that specific responsibilities for risk management and compliance are clearly communicated and understood.

(c) The reporting obligations of these individuals and entities ensure that the Board is regularly informed of material risk management and compliance issues, incidents and actions (including breaches of the Code of Conduct Policy and the Ethical and Responsible Business Conduct Policy).

5. PUBLICATION

(a) A copy of this policy and framework will be available on the McPherson's website or made available on request.

(b) A copy of this policy and framework has also been made available to all employees of McPherson's and will appear on the Company's employment portal.

6. REVIEW

The Board:

(a) will review this policy and framework at least annually to ensure it complies with applicable legal requirements and remains relevant and effective; and

(b) may change this policy and framework at any time.

7. DOCUMENT CONTROL

Version	Description	Date
1	Renewed Document	30 July 2024
2	Annual Review	29 July 2025
