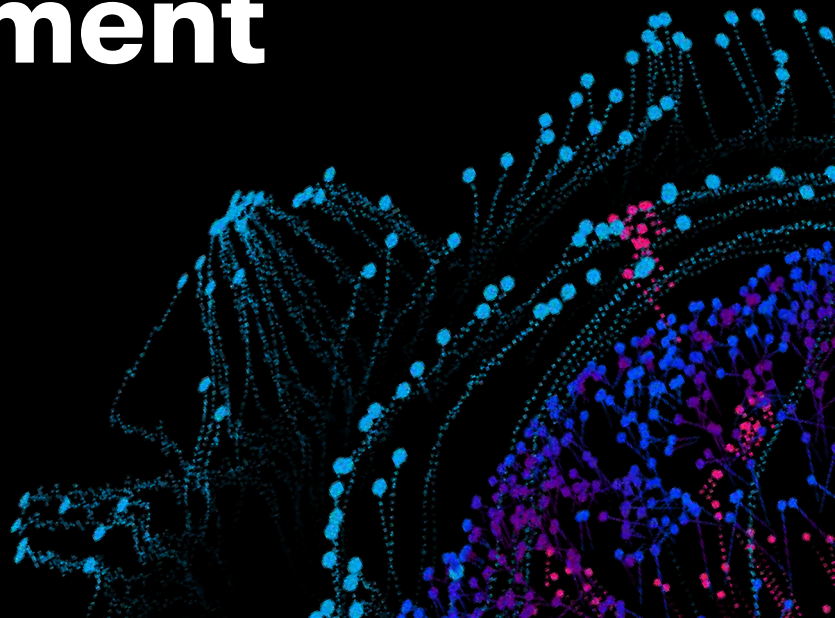




Risk Management Policy

Money in Motion



Risk Management Policy

Introduction

EML Payments Limited ("**EML**, or the **Company**") aims to understand and manage the material business risks arising from its activities on an enterprise wide basis, ensure the EML business plan will be delivered, and establish that growth/ shareholder value can be attained to a certain degree of confidence.

EML is a global Fintech and is exposed to both inherent and residual risks, and the management of these risks is an active process that involves regular review and adjustment across strategic, operational and financial risks. As an ASX listed company, risk management is a central discipline for the Group. EML aims to satisfy the risk management requirements of the "Corporate Governance Principles and Recommendations" issued by the ASX Corporate Governance Council (see Appendix A). It should be noted that risks governed by this policy include actual and potential risks.

Furthermore, this Policy applies to all Directors, senior executives, employees, advisors, contractors and consultants (collectively, **Personnel**) of the Group. All Personnel must be aware of, and comply with, this Policy and other applicable Company policies.

EML faces a range of risks in its business activities which can't be eliminated. This policy acknowledges that not all risks can be eliminated, and EML balances risk and return in conducting its business activities by:

- identifying risk;
- establishing a risk tolerance which is consistent with corporate objectives; and
- identifying and establishing appropriate mitigation strategies.

This is designed to help achieve sustainable returns and enable EML to confidently act on opportunities, deliver real growth and create further shareholder value.

Objective

The objective of this Policy is to:

- establish an appropriate level of risk tolerance;
- provide guidance, and report on risks within agreed parameters;
- establish appropriate risk delegations
- ensure EML has a dynamic risk management framework which can respond should the risk profile of the Group change;
- help educate Board and management on business risks, and embed a risk culture in decision making processes;
- ensure quantifiable and qualitative risks are reported on a regular basis to the Board and Audit and Risk Committee "**ARC**".

Responsibilities

The Board is responsible for:

- ensuring the responsibility for managing risk and ensuring appropriate responsibilities are delegated to the ARC;
- setting the risk appetite of the Group;
- satisfying itself that the risk management and internal control structure is appropriate at both the Board and management levels;
- the regular review of the EML's policies relating to risk management;
- oversight of the integrity of the financial reporting, appointment/removal of the internal and external auditors, assessment of the performance of the internal audit function (where applicable), and the safeguarding of assets from a risk perspective;
- evaluating the effectiveness of EML's management of material business risks;
- setting the tone for risk management and driving the EML risk culture; and
- ensuring that appropriate crisis management plans are in place.

Risk Management Policy continued

Risk Management Framework

EML believes that risk should be managed and monitored on a continual basis. EML has designed a risk management framework to allow it to achieve its business objectives whilst assisting management, and providing early warnings of any material change to the Group's risk profile. The risk management framework comprises the policies, guidelines, and tools to provide the information and guidance needed to integrate risk management into the Group's operations, systems, and individual decision-making processes. The risk management framework is reviewed and adjusted as the activities of the Group change. On a delegated basis, key components of this Policy are managed by the Group Chief Risk Officer ("**Group CRO**").

The seven key elements of the risk management framework are as follows:

1. Identification and assessment of all risks;
2. Monitoring, and mitigation of identified risks;
3. Maintaining internal control systems;
4. Periodic reporting;
5. Reporting on any special investigations;
6. Maintaining the policy framework; and
7. Risk management framework review

Each of the seven components are considered in more depth below.

1. Identification and assessment of all risks

The Group CRO is responsible for the continual identification and subsequent reporting by all Personnel of risks within the EML. Risks across the group will be centrally collated by the Group CRO. The Board assesses the risks of each significant project EML proposes to undertake. Additionally, the Board will review reports and updates submitted by the Group CRO.

2. Monitoring and mitigation of identified risks

Identified Risks must be reviewed by the ARC and reported to the Board. Formal risk reviews should be undertaken on a periodic basis and should include global and regional risks. More targeted reviews of specific risk topics should also be undertaken on a needs basis. This risk reporting should be coordinated by the Group CRO.

3. Maintaining internal control systems

The internal control system is an element within the risk management framework whereby controls are implemented to mitigate identified risks. The internal control system aims to:

- ensure the integrity of accounting and financial reporting to internal and external stakeholders;
- ensure EML's assets are safeguarded; and
- maintain the efficient and effective operation of EML's business activities.

The internal control system is managed by the Group Chief Financial Officer ("**Group CFO**") and the Group CRO.

4. Periodic reporting

The Board has responsibility for overall risk management. Risk owners will periodically report to the Group CRO at varying frequencies depending on the nature of a given risk. As required, the Group CRO will collate any reports submitted by a risk owner in preparedness for Board review.

The Board will formally disclose, at least on an annual basis, whether:

- Material business risks are being effectively managed;
- It has reviewed the EML's risk management framework to satisfy itself that it continues to be sound;
- EML has any material exposure to economic, environmental and social risks (including systemic risks and the risk of consequential regulatory responses), and if so, how it manages or intends to manage those risks; and
- EML has an internal audit function, and how the function is structured. Where there is no internal audit function, the Board will seek to understand the process employed for evaluating and continually improving the effectiveness of its risk management and internal controls processes.

5. Reporting on any special investigations

The Board may deem it necessary for the Group CRO to organise, review and report on special, ad-hoc, investigations in relation to its management of risks. If required, the outcome of any special investigation is to be incorporated into the risk management framework.

Risk Management Policy continued

6. Maintaining the policy framework

Where EML has policies governing individual risks or risk categories, the risk management framework should include a list and due date for regular review and approval of these policies.

7. Risk management framework review

In accordance with the Board Charter, the Board are responsible for ensuring that effective risk management programs are in place to protect EML's assets and shareholder value. EML's risk management framework promotes a robust structure so that all risks are appropriately identified, assessed, monitored, mitigated and reviewed wherever possible. Assessment of all aspects of the risk management framework by the Board should take place at least annually. In addition, all Directors and senior management should promote both a culture of voluntary and transparent risk reporting, and secondly ensure regular risk assessments occur throughout all levels of EML.

Contact

If you have any questions regarding this Policy, you should contact the Group CRO or Chair of the ARC.

Review of this Policy

This Policy can only be amended with the approval of the Board. The Board will review this Policy at least annually to ensure its effectiveness and will communicate any amendments to Personnel as appropriate.

Risk Management Policy continued

Appendix A – ASX Corporate Governance Principles and Recommendations

The three ASX Corporate Governance Principles and Recommendations are as follows:

1. Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
2. The Board should require management to design and implement the risk management and internal controls system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risk.
3. The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.